JAPAN-MANCHOUKUO YEAR BOOK

1940

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(MITSUI BUSSAN KAISHA, LTD.)

Established 1876

Capital ¥150,000,000
Reserve Funds .... ¥ 75,000,000

(March, 1939)

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IT WILL MAKE THE YEAR BOOK WORTH MORE TO YOU

GENERAL DIVISION

The book is divided into two major sections, namely, Japan and Manchoukuo. Complementing these sections are four appendices, viz., Who's Who, Business Directory, Bibliography and Learned and Social Institutions, in addition to a General Index.

HOW THE PARTS ASSIST EACH OTHER

The parts, mentioned above are so arranged and edited as to permit comprehensive understanding of each independent of the others. The trained reader will find immediately, however, that each section can be made to complement the others considerably in a number of cases. For instance, given a specific subject either on Japan or Manchoukuo to review, the reader may look up the item in the General Index. If there is any prominent person connected with the activity, his name may be found in the Who's Who. If the biography further mentions his affiliations with learned or social institutions, or companies, the standing of such may be found either in the Business Directory or in the appendix on Learned and Social Institutions. If there are books to be read on any line of affair of the two countries, the Bibliography will be found to contain the list of the latest authoritative works. This is only one of many ways in which the sections, related as a unit, may help the reader in locating the important information on the two countries.

STATISTICS

There are approximately 1,200 tables in this book. The sources of the tables will be found at the end of the respective chapters in which they appear. The sign ". . . ." indicates that the figure is not available at the time of writing or that it is non-existent. The sign "——" indicates that the figure is either nil or negligible.

MAPS

Several maps are supplemented to this issue. The large map of Japan, Manchoukuo, North and Central China contains some 4,000 place names, the spelling of which follow the form most in usage. There are also a map of the railways in Manchoukuo, an air service map of Japan, Manchoukuo and China, and a map of China showing the sphere of the Sino-Japanese hostilities.

IDENTIFYING CHINESE CHARACTERS

In view of the existence of a large number of different Chinese characters of identical pronunciation, the Who's Who gives the corresponding Chinese characters of the names entered of Japanese and Manchoukuoans.

DESCRIPTIONS OF LEADING COMPANIES

Effort has been directed in this issue to present a comprehensive picture of the position of the leading concerns in Japan and Manchoukuo in the realm of finance, commerce and industry in view of their importance in the study of the economic fabric of the Japanese Empire. As an example, the position of the Kirin Brewery Company is mentioned in four different parts of this volume, viz. in the chapters on Foodstuff Industry and Commerce, in the Business Directory and under Konzerns. By referring to the General Index and the Business Directory Index information pertaining to the company's production, authorized capital, paid-up capital, amount of profit, dividend rate, movement of its stocks, directorate, largest shareholders, date of establishment and address, etc. may be obtained.

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Manchuria Magnesium Mfg. Co., Ltd.

(Manshu Magnesium Kogyo K. K.)

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Dowa Automobile Co., Ltd.

(Dowa Jidosha Kogyo K. K.)

Established 1934. Capital Subscribed ¥30,000,000; Paid-up ¥6,200,000. Head Office: Mukden.

Manchuria Mining Co., Ltd.

(Manshu Kozan K. K.)

Established 1938. Capital Subscribed ¥50,000,000; Paid-up ¥37,500,000. Head Office: Hsinking.

Manchuria Lead Co., Ltd.

(Manshu Enko K. K.)

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Manchuria Airplane Mfg. Co., Ltd.

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Established 1938. Capital Subscribed ¥20,000,000; Paid-up ¥10,000,000. Head Office: Mukden.

Tohendo Development Co., Ltd.

(Tohendo Kaihatsu K. K.)

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Manchuria Soya Bean Industry Corp.

(Manshu Daizu Kogyo K. K.)

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(K. K. Nissan)

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Hitachi, Ltd.

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Osaka Iron Works, Ltd.

(K. K. Osaka Tekkosho)

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Hitachi Electric Power Co., Ltd.

(Hitachi Denryoku K. K.)

Established 1927. Capital Subscribed ¥10,000,000; Paid-up ¥7,500,000. Head Office: Tokyo (2, Tamura-cho 1-chome, Shiba-ku).

Nissan Automobile Co., Ltd.

(Nissan Jidosha K. K.)

Established 1933. Capital Subscribed ¥30,000,000; Paid-up ¥30,000,000. Head Office: Yokohama (2, Takara-cho, Kanagawa-ku).

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Established 1935. Capital Subscribed ¥5,000,000; Paid-up ¥2,000,000. Head Office: Tokyo (18, Marunouchi 2-chome, Kojimachi-ku). Sales Office: 2, Ginza 1-chome, Kyobashi-ku.

Nissan Chemical Industrial Co., Ltd.

(Nissan Kagaku Kogyo K. K.)

Established 1934. Capital Subscribed ¥124,000,000; Paid-up ¥93,000,000. Head Office: Tokyo (2, Tamura-cho 1-chmoe, Shiba-ku).

Japan Fat & Oil Industrial Co., Ltd.

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The Nissan Fire & Marine Ins. Co., Ltd.

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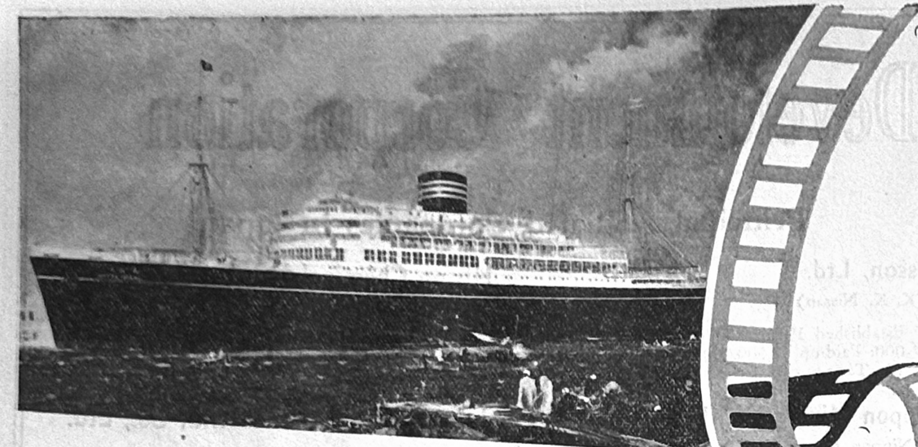

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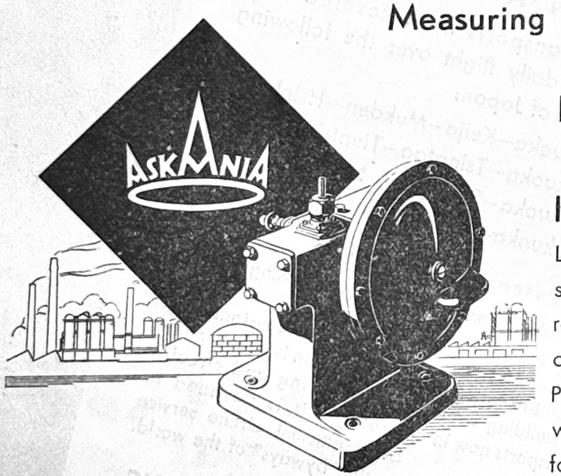

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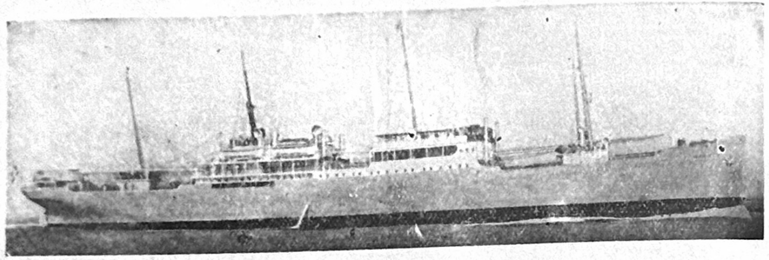

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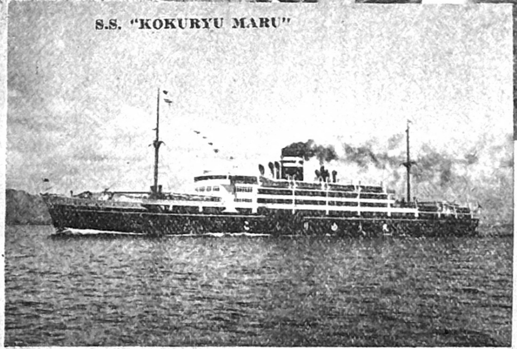

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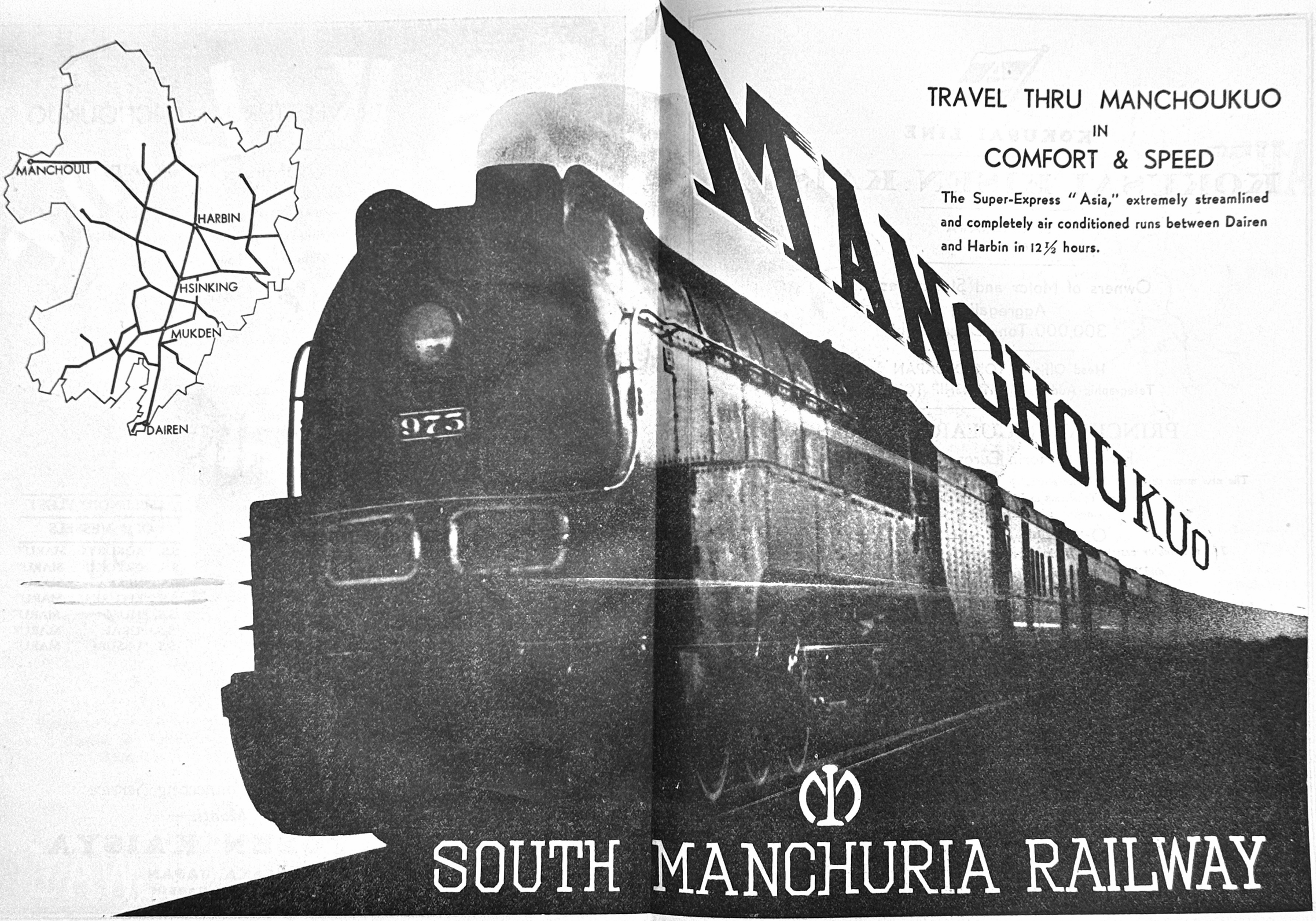
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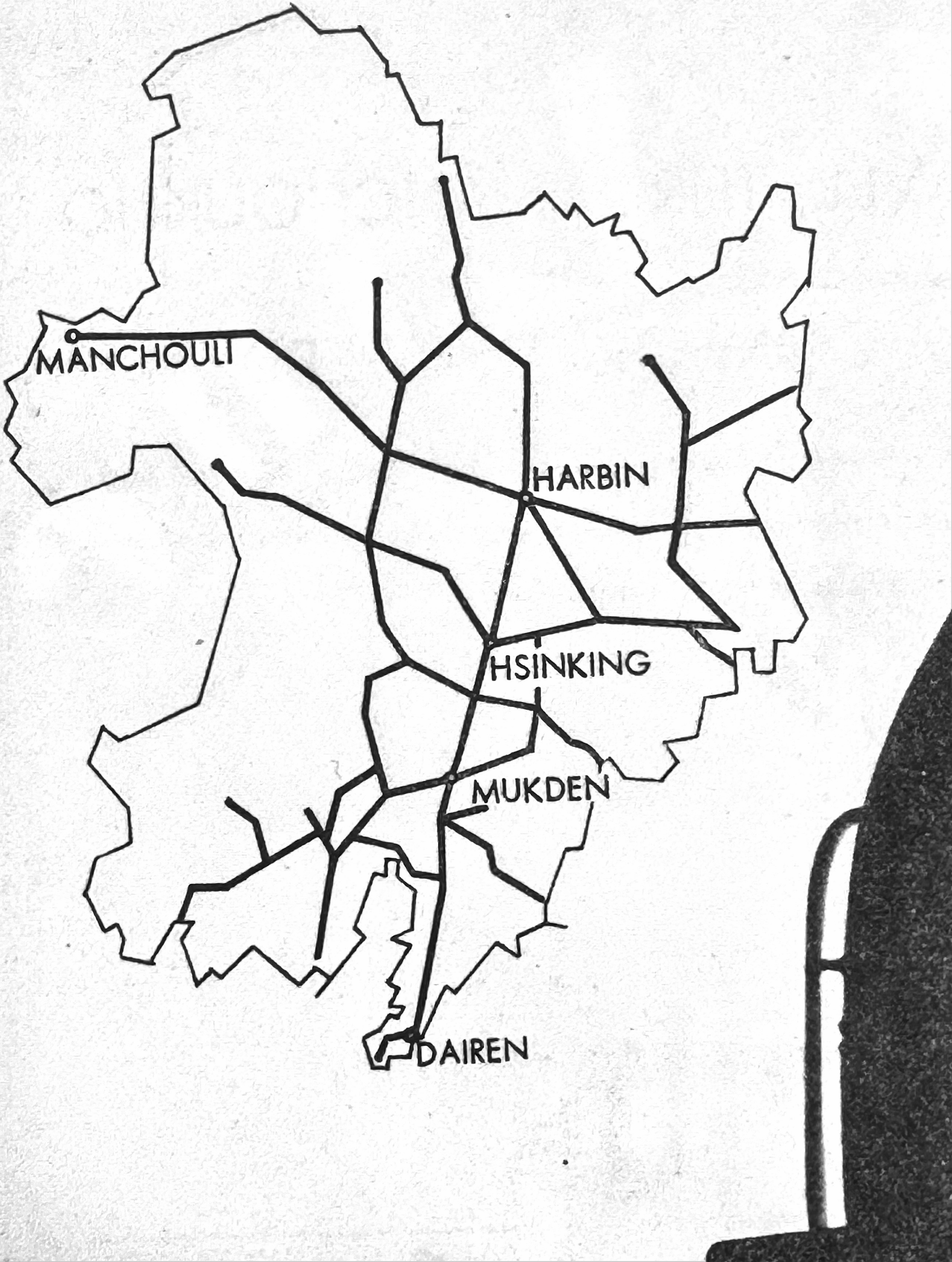
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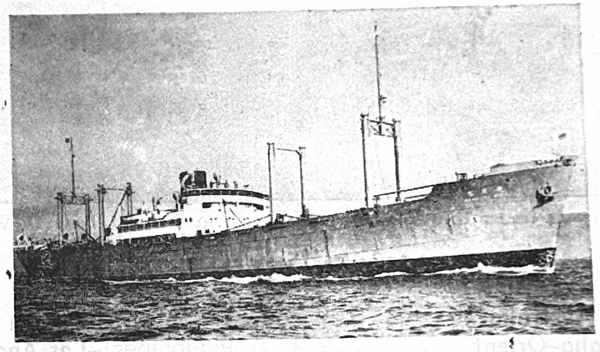

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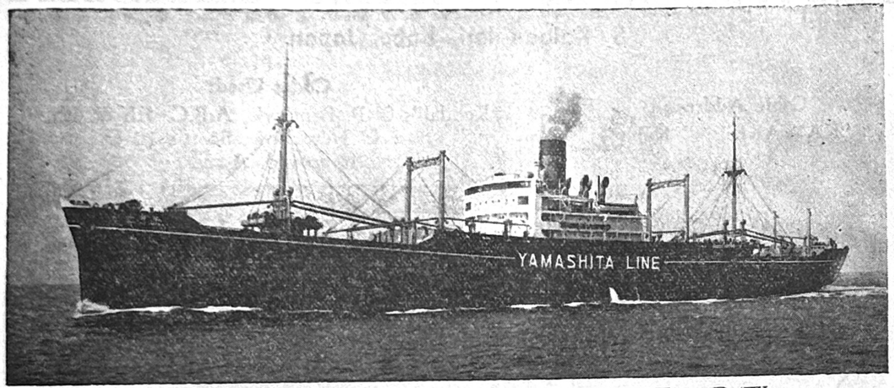

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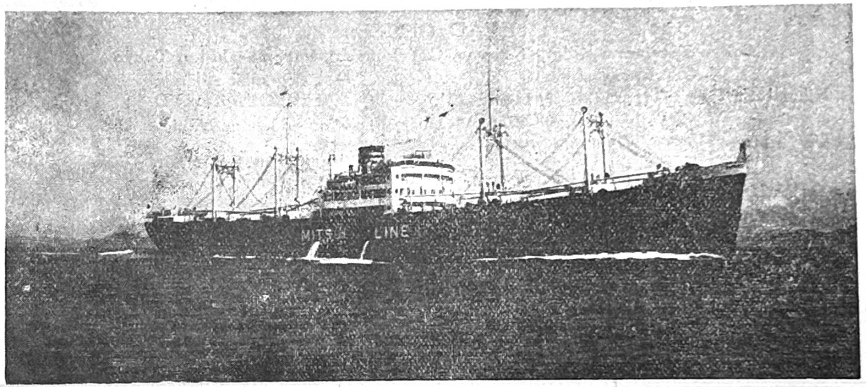

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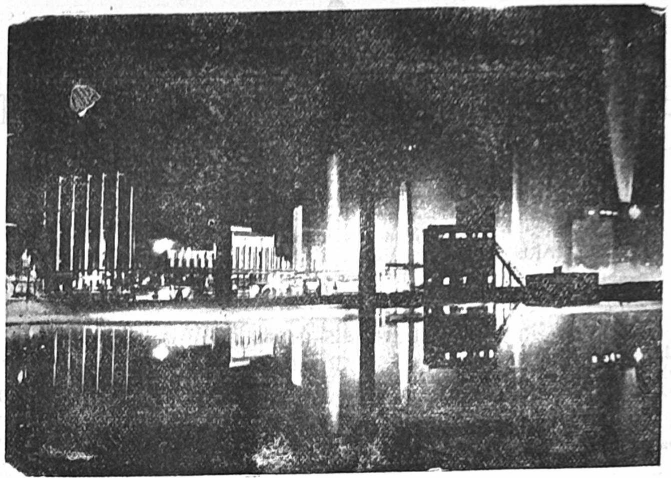

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(At the end of April 1939)

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TATSU NARUSE, President

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HEAD OFFICE:

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CAPITAL PAID-UP - - - - - - - - - - -	¥ 72,200,000
RESERVE FUNDS - - - - - - - - - - - -	¥ 38,810,000
DEPOSITS (June 30, 1939) - - - - - -	¥1,839,308,789

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CAPITAL SUBSCRIBED:
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Vice-Governor KOICHI KAWAKAMI, Esq.
Directors - - - SHIGERU KOTAKE, Esq.
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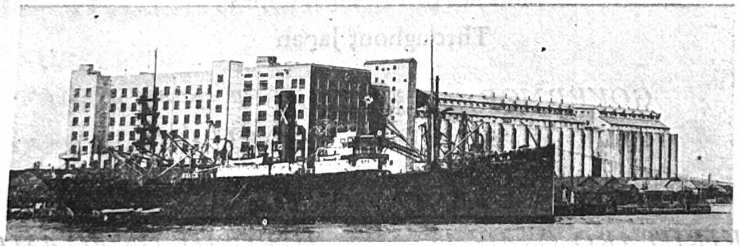

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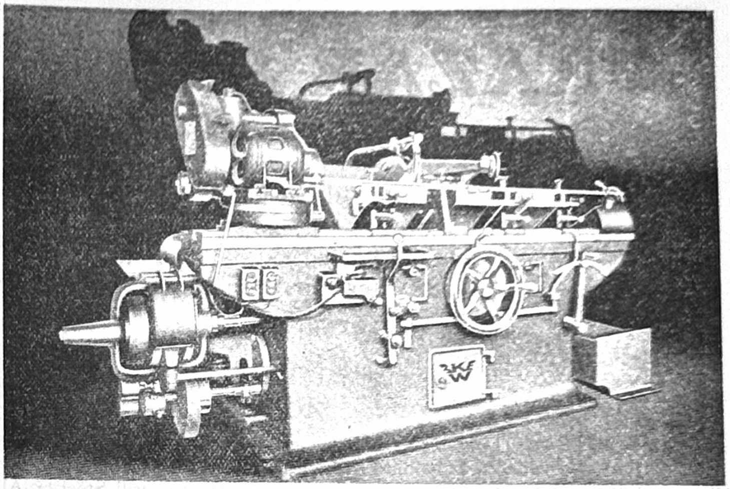

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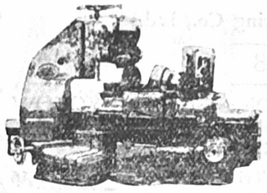

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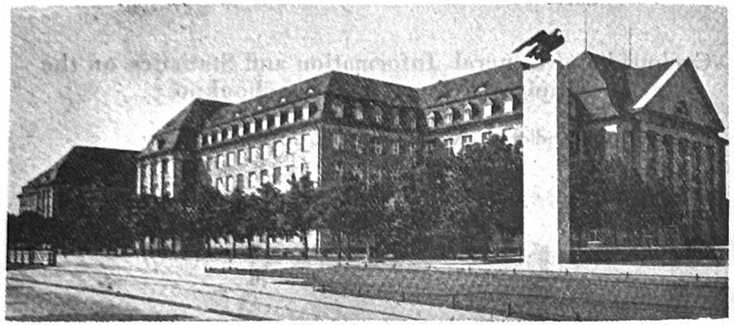

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FOREWORD

IN presenting the seventh issue of THE JAPAN-MANCHOUKUO YEAR BOOK, the publishers wish again to express their deep appreciation of the liberal cooperation extended by their many friends and by official and private institutions in the compilation of important data. Due to such assistance it has been possible to incorporate in this present issue a wealth of new statistical and textual materials in spite of the prevailing wartime situation which has in not a few instances crippled the conventional sources of information.

The process of coordinating various chapters of the book has been advanced a step further by the elimination of antedated matter and by revisions and additions. As in previous issues a number of statistics on international comparative bases have been inserted to bring out more clearly the position of Japan and Manchoukuo.

The economic supplement of China, which is an added feature of the present issue, will serve to elucidate the recent situation in that country with particular reference to Japan.

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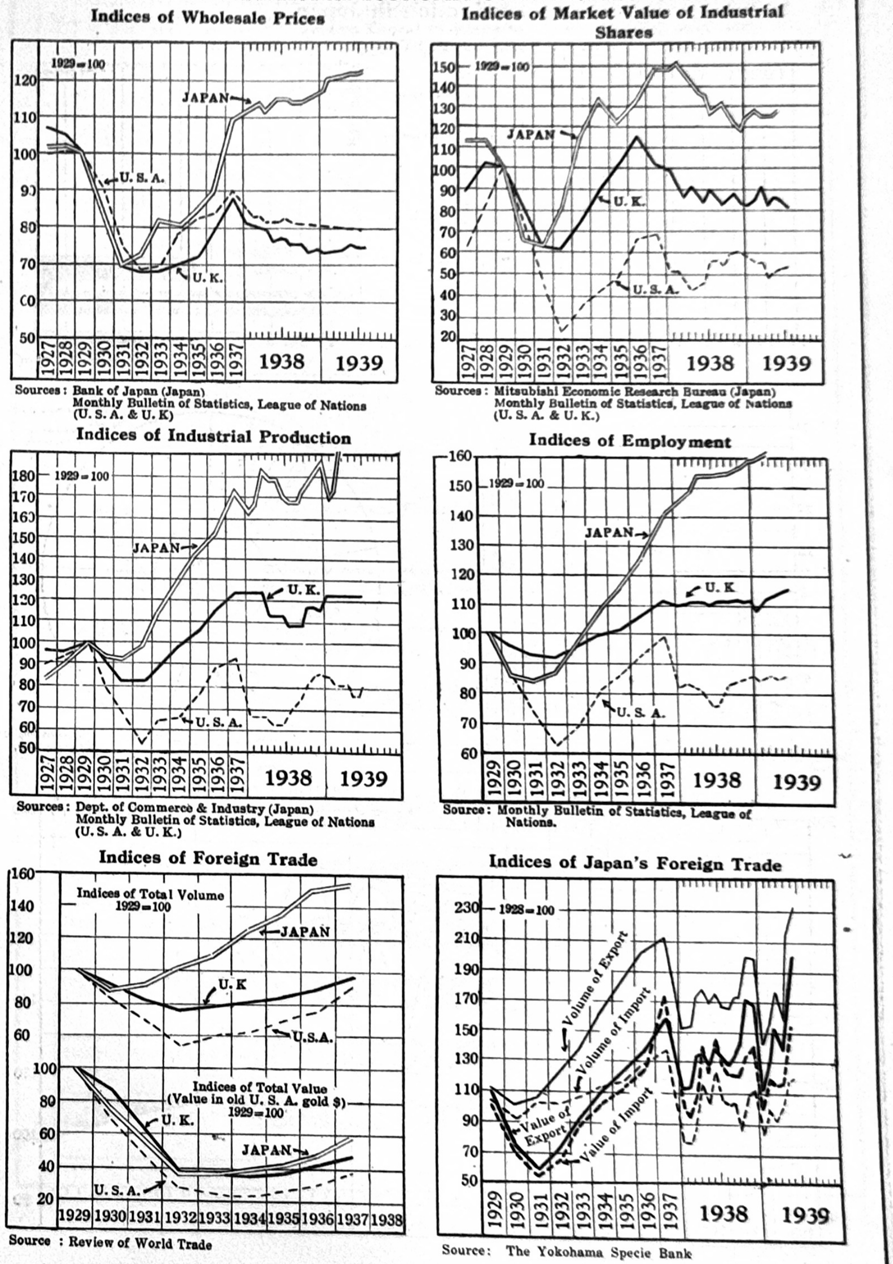


Indices of Wholesale Prices

Sources: Bank of Japan (Japan)
Monthly Bulletin of Statistics, League of Nations (U. S. A. & U. K.)

Indices of Market Value of Industrial Shares

Sources: Mitsubishi Economic Research Bureau (Japan)
Monthly Bulletin of Statistics, League of Nations (U. S. A. & U. K.)

Indices of Industrial Production

Sources: Dept. of Commerce & Industry (Japan)
Monthly Bulletin of Statistics, League of Nations (U. S. A. & U. K.)

Indices of Employment

Source: Monthly Bulletin of Statistics, League of Nations.

Indices of Foreign Trade

Source: Review of World Trade

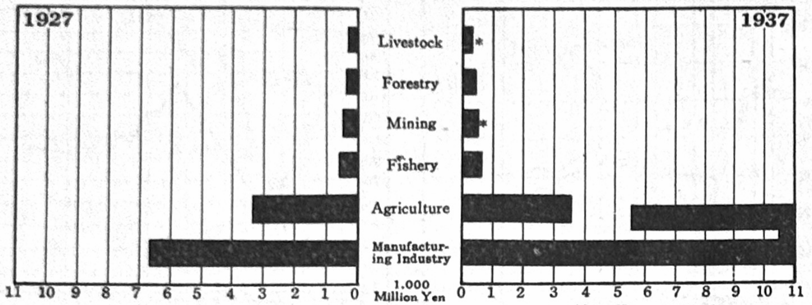
Indices of Japan's Foreign Trade

Source: The Yokohama Specie Bank

1929=100
JAPAN
U. S. A.
U. K.
120
110
100
90
80
70
60
50
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
1937
1938
1939
150
140
130
20
40
30
180
170
160
Indices of Total Volume
1929=100
Indices of Total Value
(Value in old U. S. A. gold $)
1929=100
1928=100
230
210
190
Volume of Export
Volume of Import
Value of Export
Value of Import

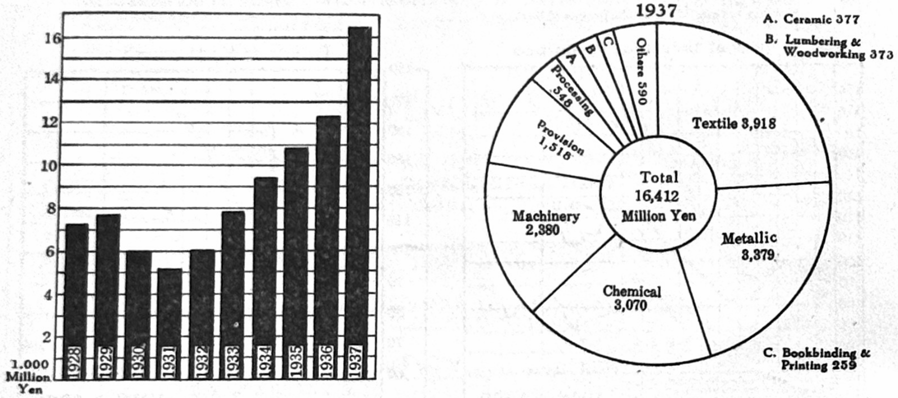
Production in Japan

VALUE OF PRODUCTION BY INDUSTRIES IN JAPAN

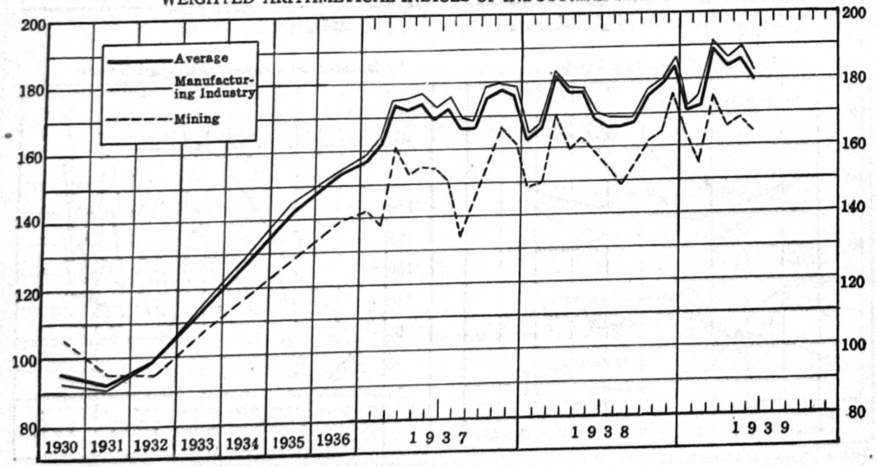


Note: *Represents Production of 1936

PRODUCTION OF MANUFACTURING INDUSTRY

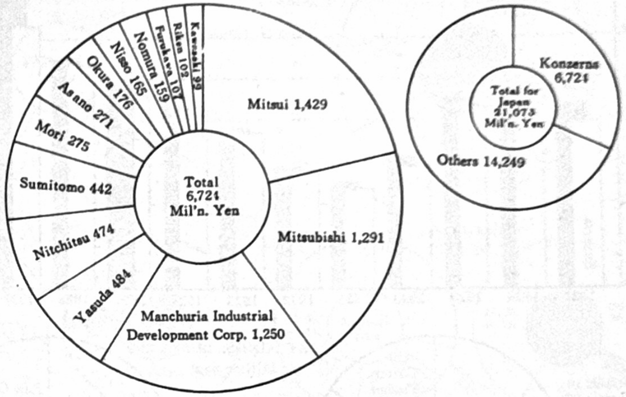


WEIGHTED ARITHMETICAL INDICES OF INDUSTRIAL PRODUCTION

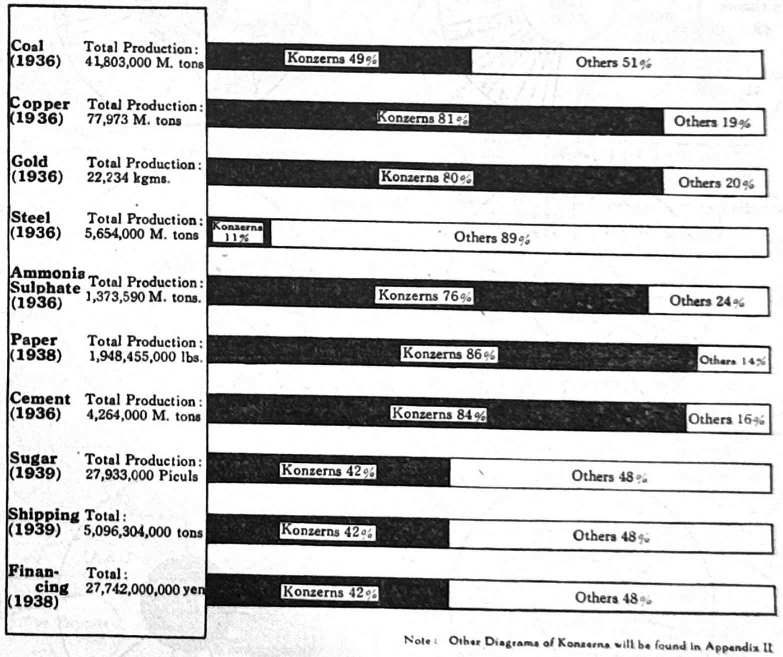


POSITION OF 14 KONZERNS IN JAPAN'S ECONOMIC STRUCTURE

Paid-up Capital of Konzerns
(June, 1939)

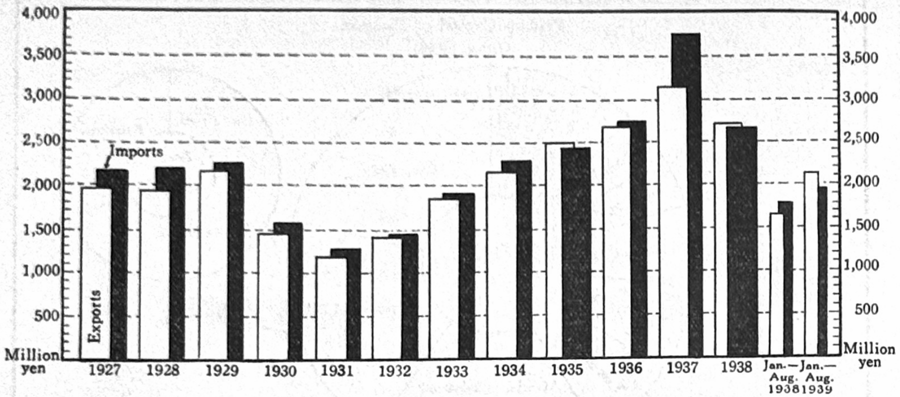


Position in Industries and Financing Resources of Entire Japan

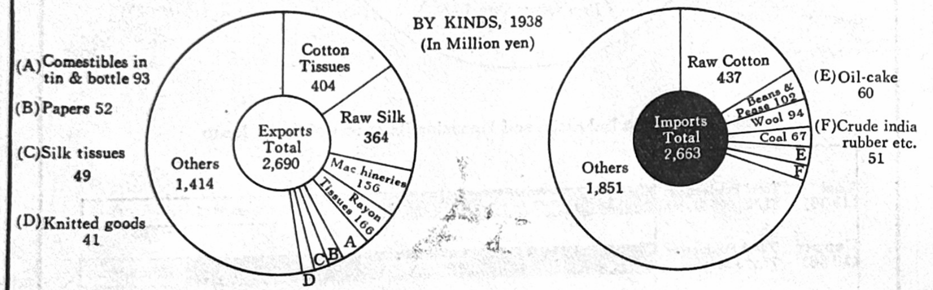


Note: Other Diagrams of Konzerns will be found in Appendix II

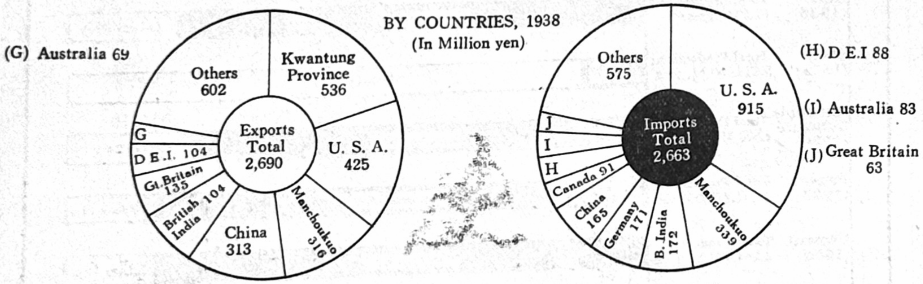
Foreign Trade of Japan Proper



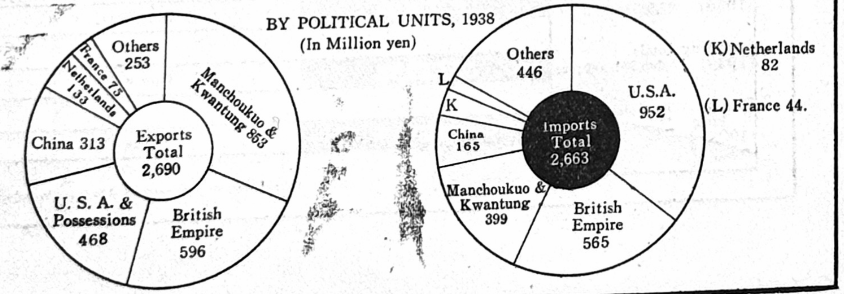
BY KINDS, 1938
(In Million yen)



BY COUNTRIES, 1938
(In Million yen)

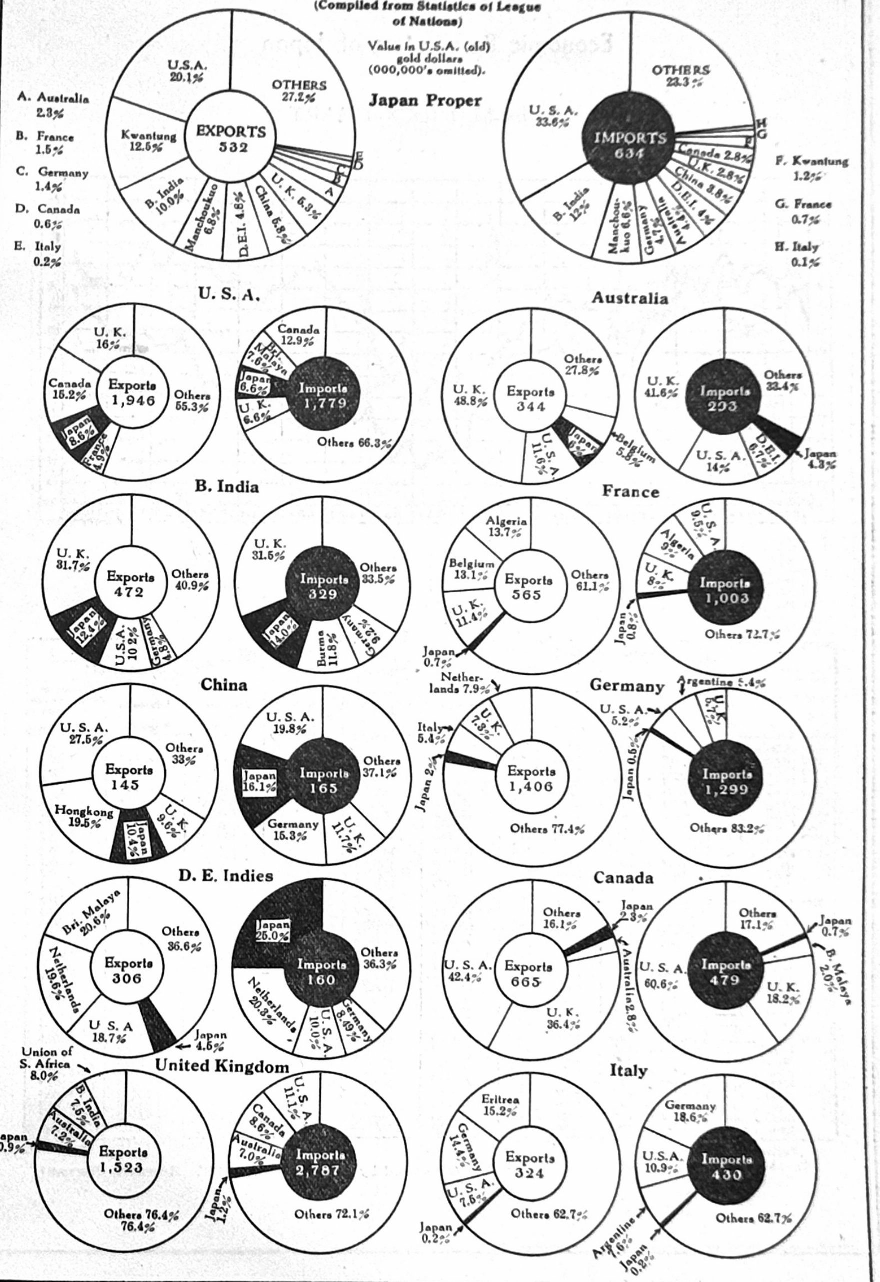


BY POLITICAL UNITS, 1938
(In Million yen)



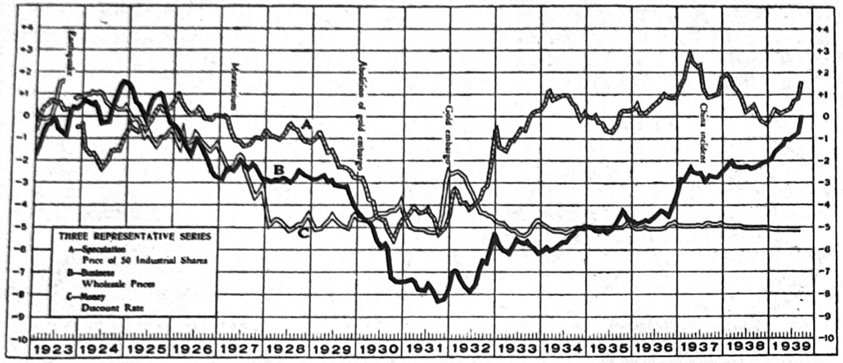
Japan's Position in the Foreign Trade of Leading Countries, 1937

(Compiled from Statistics of League of Nations)



Economic Barometers of Japan

GENERAL INDEX CHART



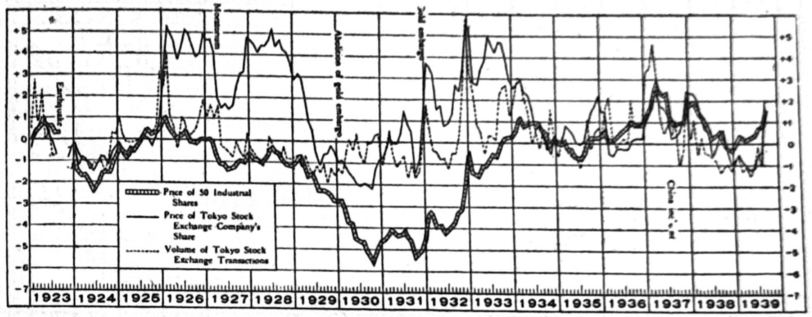
	Bank Clearings				Banking					
					All banks (a)			Commercial banks		
	Tokyo and Osaka		Whole country		Deposits	Advances		Deposits	Advances	Excess of deposits over advances
						Total	Bills discounted			
	¥ million	%	¥ million	%	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million
1921-25 Average ...	4,831	100	6,191	100						
1931 (Average)......	3,002	62	3,854	62	10,828.3	10,024.2	1,050.0	8,384.2	6,586.1	1,798.1
1932 (")......	3,516	73	4,405	71	10,247.1	9,790.7	1,051.1	7,757.7	6,303.1	1,454.6
1933 (")......	4,477	93	5,579	90	11,078.7	9,350.9	1,070.3	8,378.1	6,040.3	2,337.8
1934 (")......	4,148	86	5,368	87	11,823.0	8,903.9	1,079.5	9,002.3	5,839.9	3,162.4
1935 (")......	4,015	83	5,322	86	12,416.6	8,876.1	1,213.2	9,460.4	5,921.6	3,538.8
1936 (")......	4,365	90	5,821	94	13,283.2	9,177.5	1,356.2	10,223.5	6,295.8	3,927.7
1937 (")......	5,357	111	7,106	115	14,690.3	10,220.8	1,762.4	11,508.2	7,259.0	4,249.2
1938 (")......	5,494	112	7,175	116	17,083.5	11,397.1	2,241.5	13,401.2	8,004.5	5,396.7
1937 Sept.	4,954	103	6,567	106	14,961.3	10,575.2	1,884.3	11,643.7	7,489.7	4,153.9
Oct.	4,839	100	6,436	104	14,987.5	10,668.9	1,931.7	11,627.3	7,554.6	4,072.8
Nov.	4,843	100	6,520	105	15,191.6	10,780.1	1,983.0	11,851.3	7,614.0	4,237.3
Dec.	6,911	143	9,000	145	15,746.5	11,011.5	2,181.0	12,357.4	7,712.3	4,640.1
1938 Jan.	4,421	92	5,863	95	15,563.1	10,973.2	2,117.0	12,228.1	7,680.9	4,547.2
Feb.	5,061	105	6,524	105	15,751.6	10,987.3	2,123.0	12,373.9	7,662.7	4,711.1
Mar.	6,021	125	7,686	124	16,005.2	11,098.4	2,219.2	12,530.3	7,738.4	4,791.9
Apr.	5,878	122	7,452	120	16,141.9	11,113.5	2,203.8	12,560.1	7,766.1	4,794.0
May	5,693	118	7,409	120	16,669.9	11,180.7	2,225.5	13,073.6	7,803.0	5,270.6
June	5,601	116	7,289	118	17,308.1	11,326.7	2,279.1	13,652.9	7,923.8	5,729.1
July	5,633	117	7,319	118	17,095.2	11,376.0	2,266.9	13,414.5	7,980.6	5,433.8
Aug.	5,212	108	6,937	112	17,362.4	11,475.4	2,263.4	13,596.6	8,062.3	5,534.4
Sept.	4,915	102	6,494	105	17,657.5	11,507.4	2,230.0	13,832.3	8,086.7	5,745.6
Oct.	4,895	101	6,500	105	18,014.0	11,663.2	2,213.7	14,134.8	8,246.9	5,887.9
Nov.	5,676	118	7,476	121	18,315.8	11,841.4	2,283.3	14,345.0	8,387.2	5,957.8
Dec.	6,918	143	9,090	147	19,117.0	12,222.6	2,473.7	15,072.9	8,715.8	6,357.1
1939 Jan.	4,352	99	5,936	96	18,991.9	12,182.0	2,388.4	14,909.4	8,701.5	6,208.0
Feb.	5,410	112	7,132	115	19,170.9	12,265.9	2,388.5	15,031.3	8,787.9	6,243.4
Mar.	6,489	134	8,493	137	19,465.9	12,382.1	2,402.9	15,296.7	8,956.8	6,340.0
Apr.	5,577	115	7,368	119	19,647.6	12,394.4	2,392.0	15,407.4	9,008.4	6,399.0
May	6,383	132	8,555	138	20,357.0	12,473.3	2,380.6	16,011.6	9,099.2	6,912.4
June	6,364	132	8,454	137	21,353.5	12,962.1	2,476.7	16,914.8	9,551.9	7,362.9
July	6,772	140	8,955	145	21,251.9	13,137.2	2,527.7	16,715.4	9,678.2	7,037.2
Aug.	6,507	135	8,658	140	21,635.2	13,409.0	2,545.2	16,959.7	9,916.2	7,043.5
Sept.	7,707	160	10,108	163	22,114.4	13,734.9	2,654.8	17,348.6	10,178.5	7,170.1

(a) Excluding Bank of Japan.

(Prepared by Mitsub'shi Economic Research Bureau)

Economic Barometers of Japan

SPECULATION



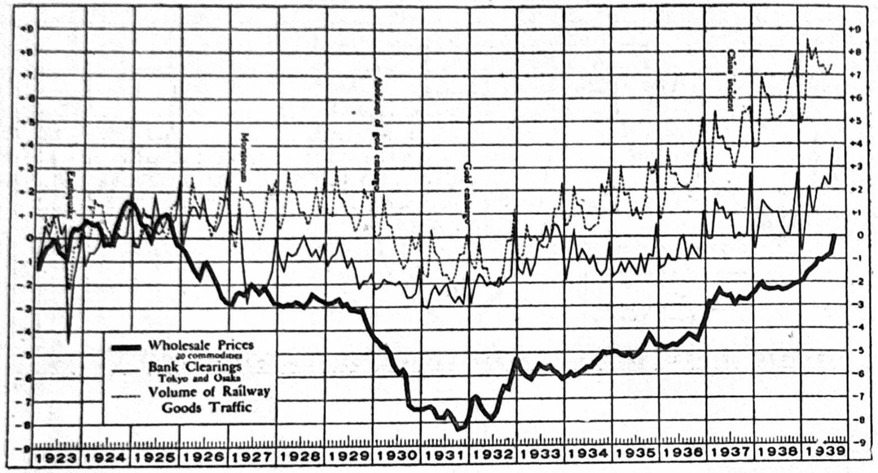
	Average Price of 50 Industrial Shares		Price of Tokyo Stock Exchange Company's Share		Tokyo Stock Exchange Long-term Transactions (Daily average)		Price of Government Bonds		Average Yield (At the beginning of the month)					
							5% ("Kogo")	4% (1st series)	Stocks		Company debentures		National bonds	
	yen	%	yen	%	shares	%	yen	yen	%	%	%	%	%	%
1921-25 Average ...	72.15	100	128.60	100	122,875	100	86.44	75.56	8.70	100	8.520*	100	6.143*	100
1931 (Average)......	36.76	51	130.25	101	93,114	76	92.81	78.02	6.83	79	6.491	76	5.397	88
1932 (")......	46.66	65	163.05	127	148,641	121	92.50	79.73	6.01	69	6.836	80	5.590	91
1933 (")......	68.19	95	182.56	142	184,680	150	100.72	93.50	5.03	58	5.961	70	4.812	78
1934 (")......	78.60	109	146.78	114	176,923	144	104.08	99.03	4.90	56	5.411	64	4.524	74
1935 (")......	71.94	100	138.43	108	120,562	98	103.95	98.80	5.58	64	4.995	59	4.499	73
1936 (")......	77.71	108	130.74	102	158,905	129	101.76	101.31	5.59	64	4.456	52	4.078	66
1937 (")......	87.05	121	147.76	115	198,560	162	101.28	101.53	5.31	61	4.403	52	3.936	64
1938 (")......	78.91	109	138.11	107	103,724	84	103.29	102.53	†5.64	65	†4.364	51	†3.856	63
1937 September ...	79.86	111	133.32	104	170,591	139	101.20	100.78	†5.74	66	†4.536	53	†3.975	65
October	80.40	111	135.89	106	84,438	69	101.68	101.43	†5.64	65	†4.422	52	†3.937	64
November......	80.84	112	143.21	111	124,340	101	101.72	101.38	†5.56	64	†4.418	52	†3.939	64
December......	86.76	120	161.46	126	219,888	179	101.78	101.64	†5.40	62	†4.437	52	†3.927	64
1938 January	87.50	121	160.27	125	134,575	110	102.41	102.10	†5.40	62	†4.397	52	†3.893	63
February	88.50	123	159.85	124	173,400	141	102.70	102.19	†5.39	62	†4.376	51	†3.882	63
March	86.63	120	156.23	122	103,700	84	102.82	102.12	†5.41	62	†4.360	51	†3.884	63
April	83.43	116	145.55	113	137,927	112	102.99	102.12	†5.51	63	†4.360	51	†3.883	63
May	81.69	113	137.37	107	104,503	85	103.31	102.34	†5.58	64	†4.369	51	†3.869	63
June	79.15	110	136.41	106	103,316	84	103.47	102.47	†5.66	65	†4.366	51	†3.855	63
July...............	74.87	104	121.47	95	97,806	80	103.46	102.66	†5.80	67	†4.363	51	†3.846	63
August	76.00	105	126.76	99	87,743	71	103.42	102.68	†5.81	67	†4.362	51	†3.845	63
September ...	77.66	108	135.23	105	67,644	55	103.64	102.86	†5.69	65	†4.358	51	†3.834	62
October	74.04	103	137.43	107	79,780	65	104.11	102.89	†5.71	66	†4.357	51	†3.828	62
November......	71.04	99	124.30	97	82,966	68	103.64	102.92	†5.83	67	†4.353	51	†3.827	62
December......	70.25	97	116.41	91	71,327	58	103.52	103.00	†5.93	68	†4.343	51	†3.826	62
1939 January	72.64	101	118.33	92	91,353	74	103.51	103.01	†5.81	67	†4.339	51	†3.824	62
February	75.56	105	122.03	95	106,825	87	103.71	103.08	†5.65	65	†4.334	51	†3.820	62
March............	74.94	104	117.92	92	68,980	56	103.77	103.03	†5.64	65	†4.332	51	†3.822	62
April	74.02	103	114.98	89	78,400	64	103.91	103.02	†5.64	65	†4.333	51	†3.824	62
May..............	74.70	104	112.53	88	60,727	49	104.07	103.00	†5.62	65	†4.328	51	†3.824	62
June	75.46	105	113.18	88	80,258	65	104.35	103.13	†5.53	64	†4.339	51	†3.816	62
July...............	78.34	109	120.97	94	118,735	97	104.70	103.33	†5.38	62	†4.334	51	†3.805	62
August	78.94	109	123.45	96	81,650	66	104.83	103.40	†5.34	61	†4.321	51	†3.801	62
September ...	84.98	118	151.57	118	207,603	169	105.11	103.49	†5.12	59	†4.307	51	†3.796	62

* Jan.—June, 1921, excluded. † Average yield during the month.

(Prepared by Mitsubishi Economic Research Bureau)

Economic Barometers of Japan

BUSINESS



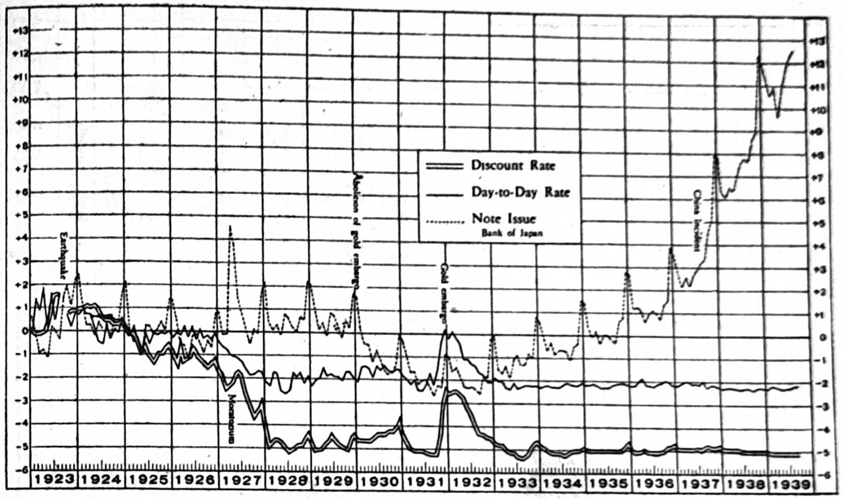
	Wholesale Price Indices(a) (Weighted, Average for 1903-14=100)			Retail(a) Price Index	Cost of Living Index (b) (July, 1937=100)		Labour Indices (a) (Average for 1926=100)			Production Index of Ministry of Commerce & Industry (1931-33=100)		
	General (20 art.)	Producers' goods (10 art.)	Consumers' goods (10 art.)	(July, 1914 =100)	Working class	Salary men	Actual earnings	Rates of wages	Employment	General	Manufacturing	Mining
1931 (Average) ...	105	100	110	136			90.7	91.3	74.5	91.1	90.2	96.8
1932 (,,) ...	116	109	123	137			88.1	88.1	74.7	97.2	97.3	96.3
1933 (,,) ...	132	133	130	146			89.2	85.1	81.9	112.5	113.3	106.7
1934 (,,) ...	135	126	143	149			91.2	82.9	91.3	127.4	129.1	115.4
1935 (,,) ...	144	132	157	152			91.1	81.3	99.9	141.0	143.3	124.1
1936 (,,) ...	150	137	163	159			91.8	80.7	105.5	150.2	151.9	138.0
1937 (,,) ...	175	174	176	174			96.8	82.4	117.3	169.8	172.4	150.6
1938 (,,) ...	181	172	190	200	110.1	109.5	105.6	85.4	129.2	172.0	173.6	160.1
1937 Aug.	171.9	170.1	173.7	173.9	100.6	100.6	96.0	83.0	118.6	165.1	169.3	134.6
Sept.	175.1	173.8	176.4	177.6	101.7	101.7	96.1	83.0	120.8	165.7	168.8	143.7
Oct.	173.9	171.4	176.3	179.2	101.8	101.8	98.3	83.0	122.2	175.8	178.7	155.5
Nov.	173.7	170.6	176.7	179.9	101.8	101.6	99.4	83.0	123.3	177.0	179.8	165.5
Dec.	176.2	173.3	179.1	182.4	103.0	102.9	102.9	83.3	123.2	176.8	178.9	161.7
1938 Jan.	179.3	176.9	181.7	184.6	104.4	104.2	100.6	83.8	122.9	161.2	162.8	149.6
Feb.	182.7	180.5	185.0	190.4	105.8	105.5	102.3	84.0	123.5	164.9	167.0	149.8
Mar.	184.5	180.3	188.6	192.7	106.8	106.3	104.3	84.2	125.0	180.2	181.7	169.9
Apr.	180.5	172.5	188.5	197.6	108.0	107.5	103.3	84.1	129.3	176.0	178.3	158.9
May	179.9	171.4	188.4	197.6	108.3	107.7	102.9	84.3	129.8	176.1	177.9	162.9
June	180.0	169.8	190.1	196.9	109.0	108.4	105.1	84.9	130.0	168.6	170.2	158.0
July	180.7	170.8	190.5	199.3	112.2	111.6	103.7	85.6	129.9	166.4	167.9	156.3
Aug.	179.4	167.6	191.2	203.1	113.3	112.7	105.4	85.9	130.2	166.5	169.0	148.3
Sept.	180.1	167.0	193.2	204.3	113.2	112.6	105.9	86.2	131.1	167.3	169.1	154.7
Oct.	181.4	170.8	191.9	207.8	113.2	112.5	107.7	86.5	131.9	173.4	175.2	160.9
Nov.	183.0	170.2	195.7	209.7	113.0	112.1	110.2	86.9	132.8	178.0	179.8	165.2
Dec.	183.6	170.1	197.1	211.9	113.4	112.6	115.5	87.8	133.5	184.6	185.6	177.4
1939 Jan.	185.2	172.6	197.8	211.2	114.4	113.5	112.6	89.1	134.1	170.5	171.7	162.1
Feb.	189.6	176.5	202.8	214.1	115.3	114.6	114.9	90.1	135.0	172.5	175.1	154.1
Mar.	191.6	179.8	203.3	213.0	116.0	115.0	118.2	91.1	137.1	189.3	191.3	175.2
Apr.	193.6	182.8	204.4	217.0	117.9	116.8	115.4	91.4	142.9	184.8	187.5	165.2
May	198.0	191.3	204.7	221.0	119.5	118.4	115.4	91.9	143.5	186.7	189.2	168.6
June	197.6	189.8	205.4	220.5	119.0	117.9	117.5	92.7	143.9	179.8	182.0	164.7
July	199.4	191.4	207.4	220.5	120.8	119.7	117.1	93.9	143.8			
Aug.	201.3	190.3	212.3	222.7	122.5	121.2						
Sept.	211.9	207.8	216.0	232.3	124.3	122.7						
Oct.				234.8								

(a) Based on the indices of the Bank of Japan. (b) Compiled by the Cabinet Bureau of Statistics.

(Prepared by Mitsub'shi Economic Research Bureau)

Economic Barometers of Japan

MONEY

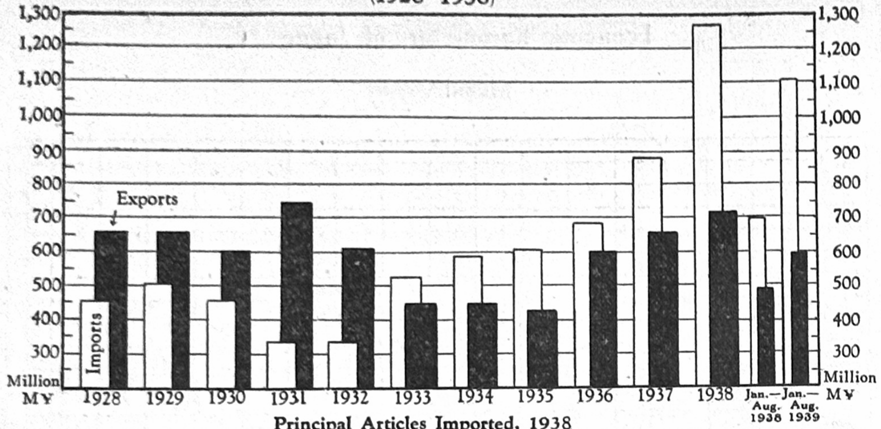


	Discount Rate (Average of minimum)			Day-to-Day Rate (Average of minimum)			Bank of Japan				Foreign Exchange *			
							Note Issue (Daily average)		Advances & Discounts —Advances to Gov't excluded— (Daily average)		Yokohama on New York (Average T. T.)		Yokohama on London (Average T. T.)	
	Sen	% p.a.	%	Sen	% p.a.	%	¥ million	%	¥ million	%	$ par ¥100	Old mint par=100	s.d. par ¥1	Mint par =100
1921-25 Average...	2.208	8.06	100	1.664	6.08	100	1,204.4	100	288.1	100	49.846	100	2/ 0.582	100
1931 (Average) ...	1.153	4.21	52	0.900	3.29	54	1,044.1	87	683.9	237	48.873	98	2/ 2.021	106
1932 (,,) ...	1.419	5.18	64	1.183	4.32	71	1,041.1	86	774.1	269	28.066	56	1/ 7.126	78
1933 (,,) ...	1.057	3.86	48	0.690	2.52	41	1,114.4	93	706.6	245	25.392	51	1/ 2.488	59
1934 (,,) ...	1.039	3.79	47	0.683	2.49	41	1,178.5	98	707.5	246	29.687	60	1/ 2.140	58
1935 (,,) ...	1.062	3.88	48	0.695	2.54	42	1,247.6	104	704.7	245	28.665	58	1/ 2.047	57
1936 (,,) ...	1.054	3.85	48	0.734	2.68	44	1,340.5	111	673.5	234	28.976	58	1/ 2.000	57
1937 (,,) ...	1.078	3.94	49	0.718	2.62	43	1,535.4	128	621.8	216	28.717	58	1/ 1.992	57
1938 (,,) ...	1.058	3.86	48	0.642	2.34	39	1,919.9	159	486.2	169	28.444	57	1/ 2.000	57
1937 September...	1.100	4.02	50	0.651	2.38	39	1,515.3	126	660.5	229	28.790	58	1/ 2.000	57
October	1.084	3.96	49	0.706	2.58	42	1,623.8	135	693.2	241	28.709	58	1/ 2.000	57
November ...	1.083	3.95	49	0.702	2.56	42	1,671.7	139	753.2	261	28.979	58	1/ 2.000	57
December ...	1.100	4.02	50	0.669	2.44	40	1,936.4	161	611.5	212	29.043	58	1/ 2.000	57
1938 January	1.072	3.91	49	0.637	2.33	38	1,926.8	160	526.3	183	28.970	58	1/ 2.000	57
February ...	1.067	3.90	48	0.649	2.37	39	1,784.8	148	505.0	175	28.957	58	1/ 2.000	57
March	1.067	3.90	48	0.665	2.43	40	1,765.2	147	493.7	171	28.813	58	1/ 2.000	57
April	1.067	3.90	48	0.646	2.36	39	1,805.2	150	486.0	169	29.029	58	1/ 2.000	57
May	1.067	3.90	48	0.635	2.32	38	1,790.2	149	478.4	166	28.947	58	1/ 2.000	57
June	1.054	3.85	48	0.627	2.29	38	1,856.1	154	463.0	161	28.904	58	1/ 2.000	57
July	1.050	3.83	48	0.639	2.33	38	1,906.8	158	456.6	159	28.740	58	1/ 2.000	57
August	1.050	3.83	48	0.649	2.37	39	1,920.5	160	493.3	171	28.456	57	1/ 2.000	57
September...	1.050	3.83	48	0.613	2.24	37	1,909.1	159	489.3	170	28.020	56	1/ 2.000	57
October	1.050	3.83	48	0.642	2.34	39	1,997.9	166	494.6	172	27.813	56	1/ 2.000	57
November ...	1.050	3.83	48	0.665	2.43	40	2,025.9	168	488.5	170	27.453	55	1/ 2.000	57
December ...	1.050	3.83	48	0.641	2.34	39	2,334.9	194	460.2	160	27.227	55	1/ 2.000	57
1939 January	1.038	3.79	47	0.634	2.31	38	2,295.6	191	438.6	152	27.228	55	1/ 2.000	57
February ...	1.033	3.77	47	0.694	2.53	42	2,233.8	186	448.8	156	27.302	55	1/ 2.000	57
March	1.033	3.77	47	0.682	2.49	41	2,178.1	181	436.2	151	27.305	55	1/ 2.000	57
April	1.033	3.77	47	0.663	2.42	40	2,214.9	184	431.2	150	27.261	55	1/ 2.000	57
May	1.033	3.77	47	0.632	2.31	38	2,090.8	174	418.5	145	27.285	55	1/ 2.000	57
June	1.033	3.77	47	0.651	2.38	39	2,207.0	183	436.5	152	27.296	55	1/ 2.000	57
July	1.033	3.77	47	0.663	2.42	40	2,286.7	190	431.3	150	27.279	55	1/ 2.000	57
August	1.033	3.77	47	0.699	2.55	42	2,334.0	194	461.3	160	26.944	54	1/ 2.000	57
September...	1.033	3.77	47	0.700	2.56	42	2,358.8	196	452.3	157	23.600	47	1/ 2.000	57

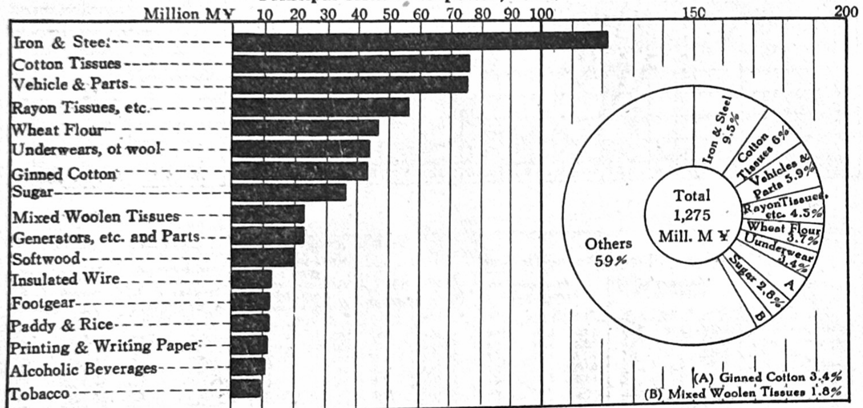
* After Dec., 1931, quoted by the Mitsubishi Bank.

(Prepared by Mitsubishi Economic Research Bureau)

Foreign Trade of Manchoukuo
(1928–1938)

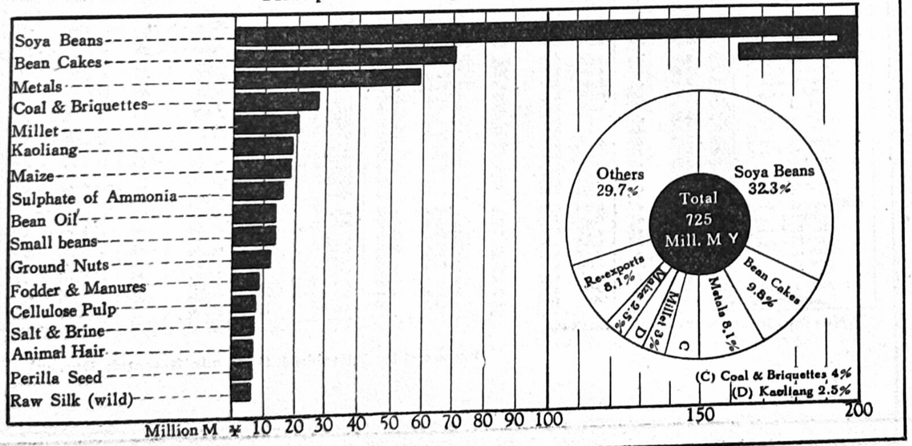


Principal Articles Imported, 1938



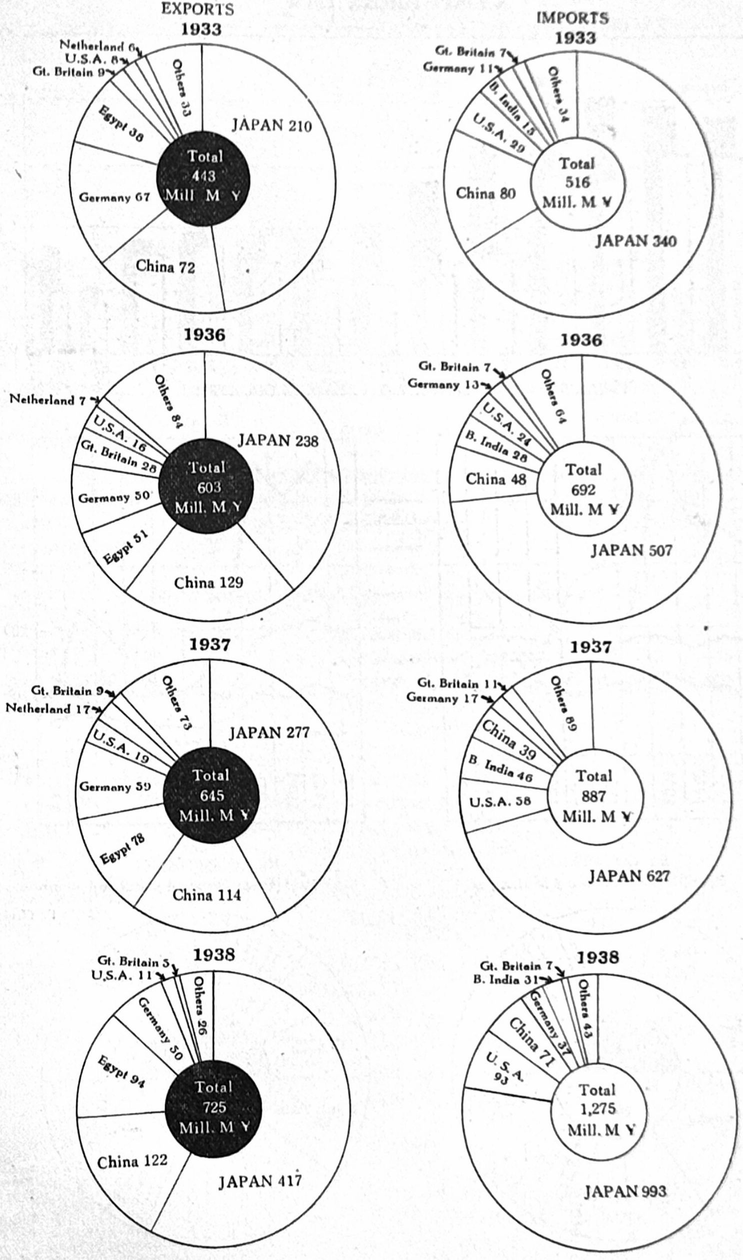
(A) Ginned Cotton 3.4%
(B) Mixed Woolen Tissues 1.8%

Principal Articles Exported, 1938

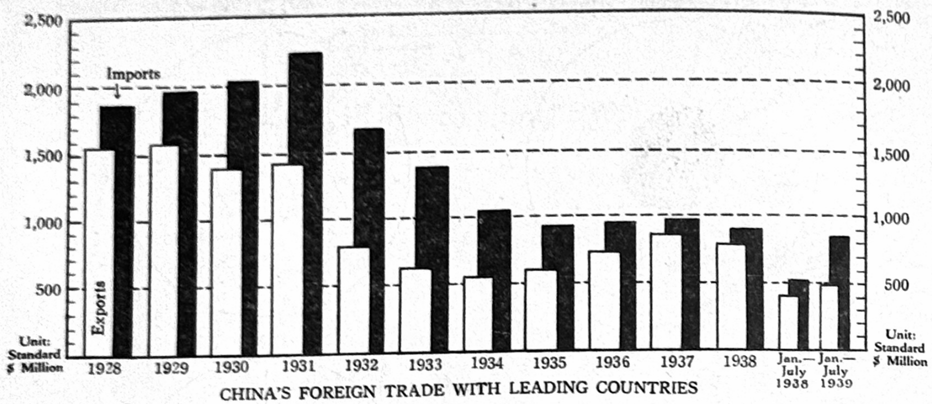


(C) Coal & Briquettes 4%
(D) Kaoliang 2.5%

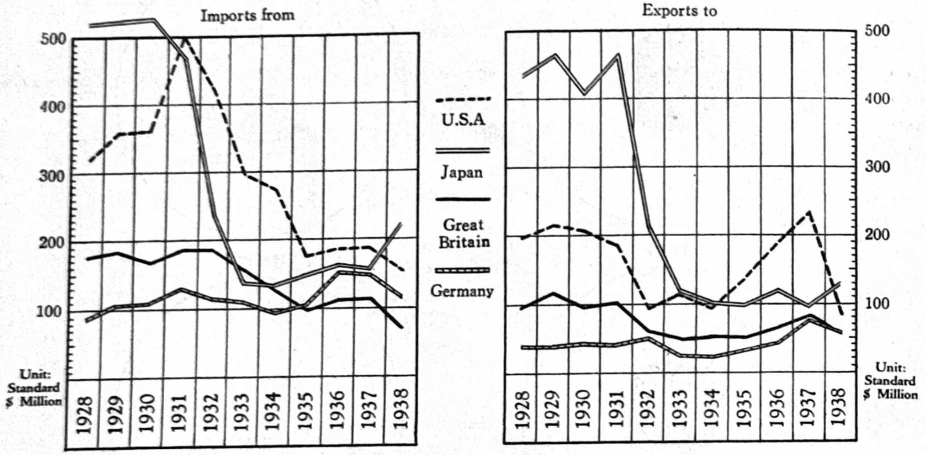
Foreign Trade of Manchoukuo by Countries, 1933–1938.



China's Foreign Trade

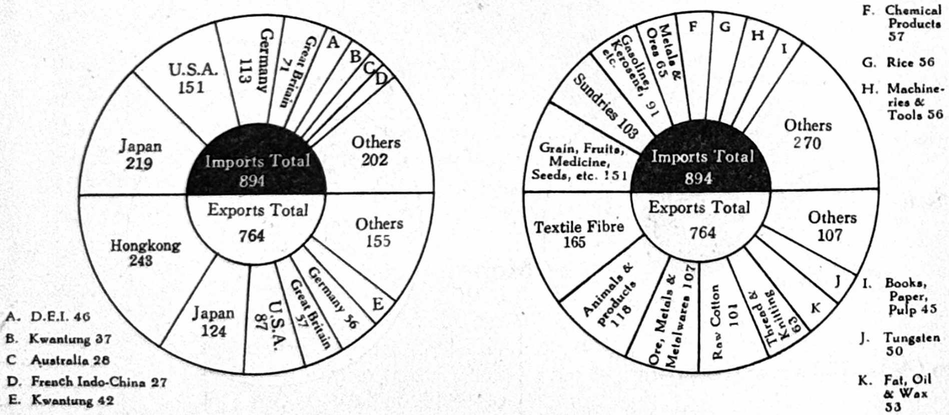


CHINA'S FOREIGN TRADE WITH LEADING COUNTRIES



BY COUNTRIES
1938 (Unit: Standard $ Million)

BY COMMODITIES
1938 (Unit: Standard $ Million)



Weights, Measures and Moneys

(JAPAN)

With English and French Equivalents

Distance and Length

Ri=36 *cho* 2160 *ken*	=2.4403 miles	=3.92727 kilometres
Ri=(marine)	=1 knot	=1.85318 kilometres
Ken=6 *shaku*=60 *sun*	=5.965163 ft.	=1.81818 metres
Shaku=10 *sun*=100 *bu*	=0.994194 ft.	=0.30303 metre
Shaku (cloth measure)	=1.25 *shaku*	
Tan (cloth measure)	=a roll of about 25 *shaku*	

Land Measure

Square *ri*=1296 *sq. cho*	=5.95516 sq. miles	=15.42345 kilometres carrés
Cho=10 *tan*=3000 *tsubo*	=2.45064 acres	=99.17355 ares
Tsubo or *bu*	=3.95369 sq. yards	=3.30579 centiares
Ko (Formosa)=2934 *tsubo*		

Quantity, Capacity and Cubic Measures

Koku=10 *to*=100 *sho*	=4.96005 bushels 47.95389 gallons (Liquid) U.S.A. 5.11902 bushels (Dry) U.S.A.	=1.80391 hectolitres
Go (10th of a *sho*)		
Koku (capacity of vessels)	=10th of a ton	
Koku (timber)	=about 1 cubic ft. × 10	
Koku (fish)	=40 *kwan* (in weight)	
Shakujime (timber)	=about 1 cubic ft. × 12	
Taba (fagot, etc.)	=about 3 × 6 × 6 ft.	

Weights

Kwan (*Kan*)=1000 *momme*	=8.26733 lbs. (Avoir) 10.04711 lbs. (Troy)	=3.75000 kilogrammes
Kin=160 *momme*	=1.32277 lbs. (Avoir) 1.60754 lbs. (Troy)	=0.60000 kilogrammes
Momme=10 fun	=0.13228 oz. (Avoir) 0.12057 oz. (Troy)	=3.75000 grammes

Money

Yen (¥)=100 *sen*=1000 *rin*=(at par)	2s. 0d. 581 (England) 12.72265 francs (France) 2.0925 marks (Germany) 0.49846 dollars (U.S.A.) 0.84459 dollars (U.S.A.)*

*** Revised rate: Dollar=0.88867 gram of gold.**

Japanese Year Dates

1st Year of Meiji	1868	39th Year of Meiji	1906
2nd ,, ,,	1869	40th ,, ,,	1907
3rd ,, ,,	1870	41st ,, ,,	1908
4th ,, ,,	1871	42nd ,, ,,	1909
5th ,, ,,	1872	43rd ,, ,,	1910
6th ,, ,,	1873	44th ,, ,,	1911
7th ,, ,,	1874	45th ,, ,,	1912
8th ,, ,,	1875	1st Year of Taisho	
9th ,, ,,	1876	2nd ,, ,,	1913
10th ,, ,,	1877	3rd ,, ,,	1914
11th ,, ,,	1878	4th ,, ,,	1915
12th ,, ,,	1879	5th ,, ,,	1916
13th ,, ,,	1880	6th ,, ,,	1917
14th ,, ,,	1881	7th ,, ,,	1918
15th ,, ,,	1882	8th ,, ,,	1919
16th ,, ,,	1883	9th ,, ,,	1920
17th ,, ,,	1884	10th ,, ,,	1921
18th ,, ,,	1885	11th ,, ,,	1922
19th ,, ,,	1886	12th ,, ,,	1923
20th ,, ,,	1887	13th ,, ,,	1924
21st ,, ,,	1888	14th ,, ,,	1925
22nd ,, ,,	1889	15th ,, ,,	1926
23rd ,, ,,	1890	1st Year of Showa	
24th ,, ,,	1891	2nd ,, ,,	1927
25th ,, ,,	1892	3rd ,, ,,	1928
26th ,, ,,	1893	4th ,, ,,	1929
27th ,, ,,	1894	5th ,, ,,	1930
28th ,, ,,	1895	6th ,, ,,	1931
29th ,, ,,	1896	7th ,, ,,	1932
30th ,, ,,	1897	8th ,, ,,	1933
31st ,, ,,	1898	9th ,, ,,	1934
32nd ,, ,,	1899	10th ,, ,,	1935
33rd ,, ,,	1900	11th ,, ,,	1936
34th ,, ,,	1901	12th ,, ,,	1937
35th ,, ,,	1902	13th ,, ,,	1938
36th ,, ,,	1903	14th ,, ,,	1939
37th ,, ,,	1904	15th ,, ,,	1940
38th ,, ,,	1905		

Manchoukuo Year Dates

1st Year of Tatung	1932	3rd Year of Kangteh	1936
2nd ,, ,,	1933	4th ,, ,,	1937
3rd ,, ,,	1934	5th ,, ,,	1938
1st Year of Kangteh		6th ,, ,,	1939
2nd ,, ,,	1935	7th ,, ,,	1940

CHAPTER I

GEOGRAPHY

Japan is situated in the east of the Continent of Asia and in the west of the Northern Pacific lying between 20° 25′ and 50° 55′ N. latitude and 119° 18′ and 156° 30′ E. longtitude. The territory comprised within this limit consists of six large islands, i.e. Honshu, Shikoku, Kyushu, Hokkaido, Taiwan (Formosa), Southern Karafuto (Saghalien below 50° lat.) and the Peninsula of Chosen (Korea), and about six hundred smaller islands. Of these islands Sado, Oki, Tsushima, Iki, Awaji and the four archipelagoes of Boko (Pescadores), Chishima (Kuriles), Ogasawara (Bonin) and Ryukyu (Luchu) may deserve mention, all the rest being insignificant. Japan Proper consists of the four large islands of Honshu, Shikoku, Kyushu, and Hokkaido, and is exclusive of Taiwan and its adjoining islands, Karafuto and Chosen.

After the Japan-China War (1894-1895) Japan acquired Taiwan including the Pescadores, and after the Russo-Japanese War (1904-05) the southern half of Saghalien, and also obtained a free hand in Korea, which she later annexed and renamed it Chosen. The realm now covers 675,365 sq. kilometers.

Table 1. Japan's Position in Area and Population

	Area (1,000 sq. kms.)	Population (1936) (1,000)	Population (1936) Per sq. km.
Japan Proper	382	70,500	185
Manchoukuo	1,303	35,338	27
China Proper	4,848	413,205	85
British India	4,684	374,200	80
United Kingdom	244	47,187	193
France	551	41,910	76
Italy	310	42,677	138
U. S. S. R.	21,176	175,500	8
U. S. A.	7,839	128,840	16
Canada	9,542	11,080	1

Table 2. Area of Japan

	Area (Sq. kilometres)	Area (Sq. miles)	Area Percentage	Coast line (kilometres)
Japan Proper (incl. outlying islands)	382,545	147,492	56.64	30,605.46
Honshu (,, ,, ,,)	230,532	88,622	34.13	11,904.08
Shikoku (,, ,, ,,)	18,722	7,228	2.78	2,946.51
Kyushu (,, ,, ,,)	42,079	16,246	6.23	8,662.30
Hokkaido (,, ,, ,,)	88,775	34,276	13.14	5,484.50
Ryukyu (,, ,, ,,)	2,386	921	0.35	1,608.06
Taiwan (Formosa) (,, ,,)	35,961	13,884	5.32	1,888.18
Karafuto (Saghalien) (,, ,,)	36,090	13,934	5.34	1,534.42
Chosen (Korea (,, ,,)	220,769	85,239	32.69	18,203.73
Total	675,391	260,788	100.00	52,231.79
Kwantung Leased Territory (,,)	3,462	1,336		1,216.75
Pacific Mandated Islands	2,149	829		4,059.50

Note:—All the outlying islands having a coast line of over 2 miles and also smaller islands that are inhabited are included in the total area.

Inclusive of the Pacific Mandated Islands the Empire stretches latitudinally for 5,643.81 kilometers, the northernmost tip reaching to within 1,738.7 kilometers of the Arctic Circle, while the southernmost of the Mandated Islands touches the Equator. With the four main islands of Honshu, Shikoku, Kyushu and Hokkaido as a nucleus, the cluster of islands divides into two forks, northward and southward. One end of the northern fork projects to Saghalien and the other towards the Aleutians. The southern fork spreads one arm towards Taiwan and the other towards the Mariana, Marshall and Caroline groups of islands.

Japan proper which occupies 56.64% of the area of the whole Empire is smaller than Sweden or Poland but is larger than England, Italy or Norway.

PHYSICAL FEATURES

Mountains.—The land is mountainous and volcanic. The most conspicuous ranges are, in the west and south, two branches of the Kwenlun system of China of which, the Chugoku range, traverses Kyushu and finds its way into the middle part of Honshu, while the other coming from Shikoku also enters the middle of Honshu. In the north there is the Saghalien

Torpedo Boats

	Displacement (tons)	When completed	Speed (When afloat: knots)	Armament (cm.)	Torpedo tubes
Chidori	527	1933	26.0	12 (3)	2
Manazuru	,,	1934	,,	,,	,,
Tomozuru	,,	,,	,,	,,	,,
Hatsukari	,,	,,	,,	,,	,,
Odori	595	1936	28.0	,,	3
Hiyodori	,,	1936	,,	,,	,,
Hayabusa	,,	1936	,,	,,	,,
Kasasagi	,,	1937	,,	,,	,,
Kiji	,,	1937 (L)	,,	,,	,,
Kari	,,	1937 (L)	,,	,,	,,
Sagi	,,	1937 (L)	,,	,,	,,
Hato	,,	1937 (L)	,,	,,	,,

Mine Sweepers

	Displacement (tons)	When completed	Speed (When afloat: knots)	Armament (cm.)
No. 1	615	1923	20.0	12 (2); *8 (1)
No. 2	,,	,,	,,	,, ,,
No. 3	,,	,,	,,	,, ,,
No. 4	,,	1925	,,	,, ,,
No. 5	,,	1929	,,	,, ,,
No. 6	,,	,,	,,	,, ,,
No. 13	492	1933	,,	12 (2)
No. 14	,,	,,	,,	,,
No. 15	,,	1634	,,	,,
No. 16	,,	,,	,,	,,
No. 17	,,	1936	19.0	,,
No. 18	,,	1636	,,	,,

Note:—* High angle guns. (L) When launched.

I, MILITARY AVIATION

Two Army officers who were trained in France and returned home in 1911 were the first airmen in Japan, followed by two others in 1912 and three in 1913. In 1919 ,an aviation section was created in the Army Department and the first army aviation school was opened at Tokorozawa (near Tokyo) in 1920 to give training to about 100 students including both commissioned and non-commissioned officers, besides admitting a few civilians. In 1922, two military aviation schools were newly established, one at Shimoshizu (Chiba prefecture) and the other at Akeno (Miye prefecture). Since 1917 the Army has yearly bought powerful machines from Europe, at the same time making best efforts to produce them at home, at State and private factories.

Japan sent an aviation mission to the Italian front during the World War in August, 1918, it consisting of 22 officers (1 died there) and over 70 artisans. They returned home in Aug. 1919. Equally noteworthy was the arrival in February, 1919, of some 60 French army aviators headed by Col. Faure, for giving training to Japanese army aviators, and also the participation with marked success of the army and navy aviators in the Tsingtao campaign of 1914.

In June 1925, the Army aviation corps were made independent and on equal footing with infantry, cavalry, field artillery, etc., and at the same time each air battalion was reorganized into an air regiment. Simultaneously with the independence of the air force two bombing regiments were newly added to the force.

In 1927 a section of Army flight officers received special training in bombing practice at the Akenogahara Aerodrome under a French expert.

Organization of Air Regiments.—The Army air force consists at present of ten air regiments or 26 companies, i.e. 11 recononoitering, 11 fighting and 4 bombing companies and 2 balloon corps, organized with 6,900 officers and men. The headquarters of these air regiments are located as follows:—

Table 16. Headquarters of Naval Air Regiments

1st Regiment (4 air companies)	Kagamigahara, Gifu Prefecture
2nd Regiment (2 air companies)	Kagamigahara, Gifu Prefecture
3rd Regiment (3 air companies)	Yokaichi, Shiga Prefecture
4th Regiment (4 air companies)	Tachiarai, Fukuoka Prefecture
5th Regiment (4 air companies)	Tachikawa, Tokyo
6th Regiment (3 air companies)	Heijo (Pingyang), Chosen
7th Regiment (3 air companies)	Hamamatsu, Shizuoka Prefecture
9th Regiment	Kainei, Chosen
Balloon Corps (2 companies)	Tsuganuma, Chiba Prefecture

II. NAVAL AVIATION

Naval aviation in Japan dates from 1912 when our officers training in France and America returned home. It was not long before a training ground was established at Oppama near Yokosuka and an experimental course was started. From 1912 till 1917, the sum yearly disbursed on this account amounted to ¥3-400,000, to increase in 1918 to ¥1 million and to ¥2 millions in 1919, the total aggregating ¥5,800,-000 in ten years. From 1921 to 1922 the British air experts headed by Captain Senville gave thorough training at Kasumigaura to our flight officers. In April 1927, an aviation department was created in the Navy following the example set by the Army and in April 1928 a tender squadron was organized as a unit of the standing fleet, it consisting of the Akagi (flagship), Hosho, and two destroyers.

Tender Ships.—Prior to the Washington Conference the Japanese navy had only one tender ship, namely, the Hosho (7,470 tons; 25 knots). Following the example of the U.S. Navy Japan has converted the battle-cruiser Akagi (26,900 tons) and the battleship Kaga (also 26,900 tons) into tender ships. The former was completed in 1927 and commissioned in 1928, and the latter completed in 1928 and put to commission the same year. They are the pride of the Japanese navy. The Ryujo (7,600 tons) was built at the Yokosuka navy yard and completed and commissioned in May 1933.

The Navy aviation department adopted in 1930 the system of youthful aviation, candidates to be selected from among lads of 15 to 17 years old and after going through necessary training to be appointed navy aviators ranking as petty officers. The training institute was opened at Yokosuka in May, 1930.

Air Force Activity in Sino-Japanese Hostilities

In the Sino-Japanese hostilities which began in the outskirts of Peking in July 1937, finally spreading to Shanghai and other points south, the Japanese army and navy air forces took an important role in cooperating with land forces in inflicting damage on the enemy. The Japanese warcrafts proved highly efficient and long distance raids were carried out successfully against Chungking and other cities in the interior of China.

Losses in the Sino-Japanese Hostilities

The Japanese Army Department issued on May, 30, 1939 a complete summary of the losses suffered by the Japanese and the Chinese forces in the Sino-Japanese Hostilities which started in July, 1937. According to the statement the total number of enemy corpses recovered aggregated 936,345 from the beginning of hostilities up to the end of April, 1939. Japanese killed was given as 59,698 for the same period. It was estimated by the same source that the total casualties inflicted on the Chinese forces, moreover, were in excess of 2,300,000.

The area occupied by the Japanese forces was given as 1,562,938 square kilometers, or slightly under two and a half times the area of the Japanese Empire.

Table 17. Casualties in the Sino-Japanese Hostilities

(Issued by the Imperial Headquarters)

Operation by Territories	Date	No. of enemy corpses recovered
Throughout China	July 1937–Nov. 1938	823,296
North China	Dec. 1938–Apr. 1939	73,200
		11,236
Central China	Dec. 1938–Apr. 1939	104,242
	May, 1939	29,650
South China	Dec. 1938–Apr. 1939	8,807
	May, 1939	300

	Enemy's		Japanese	
	Total Losses	Cumulative Total	Total Losses	Cumulative Total
July 1937–Nov. 1938 .	823,296	....	47,133	....
Dec. 1938–Apr. 1939 .	113,049	936,345	12,865	59,998
May 1939 .	48,255	984,600	1,400	61,398

Table 18. List of Arms Seized By the Japanese Forces

Items:		Cumulative Total
Rifles		
July 1937–Nov. 1938 :	208,017	...
Dec. 1938–Apr. 1939 :	7,556	211,573
May, 1939	6,181	227,754
Light Machine Guns		
July 1937–Nov. 1938 .	7,982	...
Dec. 1938–Apr. 1939 .	378	8,360
May, 1939	236	8,596

Items:		Cumulative Total
Heavy Machine Guns		
July 1937–Nov. 1938 .	3,220	...
Dec. 1938–Apr. 1939 :	124	3,344
May, 1939	47	3,391
Revolvers		
July 1937–Nov. 1938 .	730	...
Dec. 1938–Apr. 1939 .	285	1,015
May, 1939	126	1,141

Items:		Cumulative Total
Bomb-guns		
July 1937–Nov. 1938 .	1,211	...
Dec. 1938–Apr. 1939 .	26	1,237
May, 1939	25	1,262
Field, Cavalery & Mountain Guns		
July 1937–Nov. 1938 .	686	...
Dec. 1938–Apr. 1939 .	129	815
May, 1939	3	818
Heavy Guns		
July 1937–Nov. 1938 .	330	...
Dec. 1938–Apr. 1939 .	3	333
Infantry Guns		
July 1937–Nov. 1938 .	108	...
Dec. 1938–Apr. 1939 .	...	108
Anti-aircraft Guns		
July 1937–Nov. 1938 .	99	...
Dec. 1938–Apr. 1939 .	...	99
Anti-tank Guns		
July 1937–Nov. 1938 .	198	...
Dec. 1938–Apr. 1939 .	10	208
Swords		
July 1937–Nov. 1938 .	5,652	...
Dec. 1938–Apr. 1939 .	184	5,736
Spears		
July 1937–Nov. 1938 .	605	...
Dec. 1938–Apr. 1939 .	107	712
Chinese Broad Swords		
July 1937–Nov. 1938 .	12,104	...
Dec. 1938–Apr. 1939 .	81	12,185
Hand Grenades (1,000)		
July 1937–Nov. 1938 .	2,304	...
Dec. 1938–Apr. 1939 .	18	2,322
May, 1939	2	2,324
Shells		
July 1937–Nov. 1938 .	817,921	...
Dec. 1938–Apr. 1939 .	18,73	819,794
Rifle Bullets (1,000)		
July 1937–Nov. 1938 .	13,596	...
Dec. 1938–Apr. 1939 .	462	14,058
May, 1939	139	14,197
Dum-dum Bullets		
July 1937–Nov. 1938 .	20,000	...
Dec. 1938–Apr. 1939 .	3,200	23,200
Revolver Shots		
July 1937–Nov. 1938 .	37,170	...
Dec. 1938–Apr. 1939 .	...	37,170
Bomb-gun Shots		
July 1937–Nov. 1938 .	1,718,173	...
Dec. 1938–Apr. 1939 .	248	1,718,421
Mines		
July 1937–Nov. 1938 .	152	...
Dec. 1938–Apr. 1939 .	...	152
Submarine Mines		
July 1937–Nov. 1938 .	60	...
Dec. 1938–Apr. 1939 .	...	60
Tanks, Automobiles, etc.		
July 193(–Nov. 1938 .	561	...
Dec. 1938–Apr. 1939 .	66	627
Aircrafts		
July 1937–Nov. 1938 .	3	...
Dec. 1938–Apr. 1939 .	...	3
Locomotives		
July 1937–Nov. 1938 .	89	...
Dec. 1938–Apr. 1939 .	...	89
Gasoline (cans)		
July 1937–Nov. 1938 .	4,000	...
Dec. 1938–Apr. 1939 .	...	4,000
Horses		
July 1937–Nov. 1938 .	1,743	...
Dec. 1938–Apr. 1939 .	444	2,187

Table 19. Activities of Japanese Military Air Force in the Sino-Japanese Hostilities

Date	District	Enemy Planes shot down	Enemy Planes wrecked by bombing	Total	Cumulative Total	Japansse Losses
July 1937–Dec. 1938		197	101	298	...	74
Jan. 11, 1939 ...	Chih-chiang	...	15	15	313	
" 15 " ...	Chungking	6	4	10	323	
Feb. 12 " ...	Lanchou	18	20	38	361	
" 20 " ...	"	36	(unknown)	36	397	
" 23 " ...	"	56	...	56	453	
Mar. 14 " ...	Sian	...	2	2	455	
Apr. 7 " ...	Chih-chiang	...	8	8	463	
" 29 " ...	Nancheng	11	...	11	474	
May 9 " ...	"	...	1	1	475	

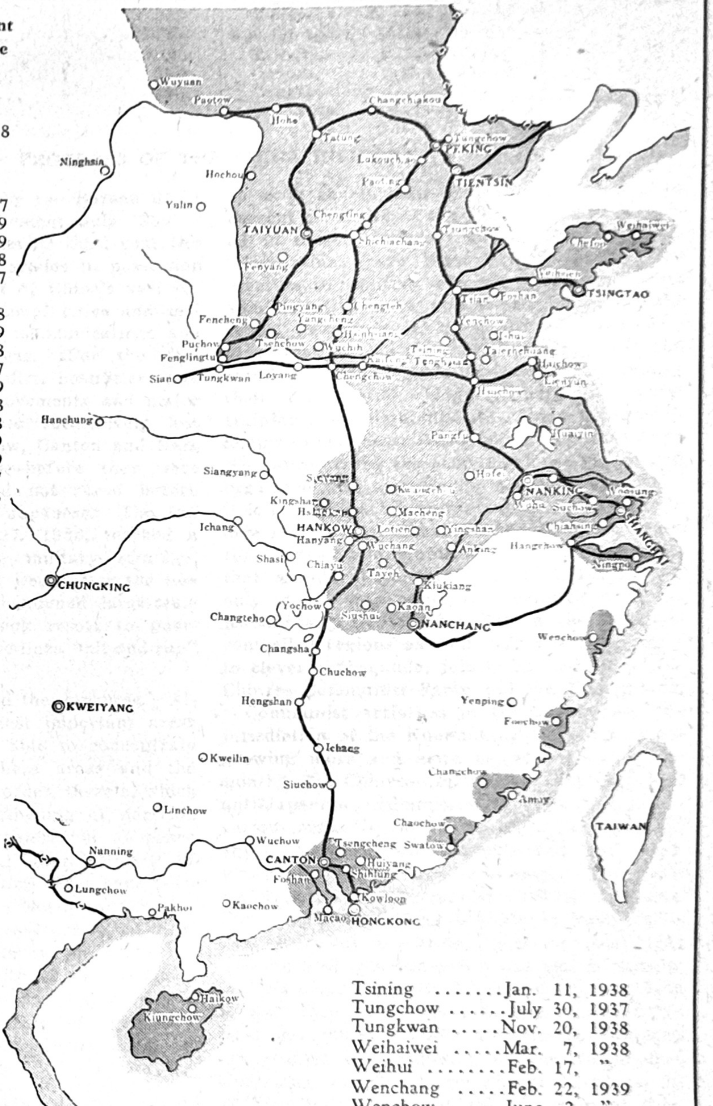
Table 20. Losses of the Chinese Navy in the Sino-Japanese Hostilities

Standing July 4th, 1938

(Issued by the Japanese Navy Headquarters)

Location Wrecked:	No.	Tonnage
Cruisers:		
Yangtzekiang	8	22,600
Canton	1	2,600
Converted cruiser:		
Tsingtao	1	2,700
Gun boats:		
Yangtzekiang	4	3,765
Tsingtao	3	2,075
Canton	3	1,127
Fuchow	1	745
Converted gun boat:		
Canton	1	200
Small gun boats:		
Canton	1	225
Yangtzekiang	5	1,400
Fuchow	2	430

Date of Occupation of Important Points in China by the Japanese Forces in the Sino-Japanese Hostilities


Wuyuan
Paotow
Ninghsia
Yulin
Hochow
Tatung
Changchiakou
PEKING
TIENTSIN
TAIYUAN
Fenyang
Weihaiwei
Chefoo
TSINGTAO
Fencheng
Puchow
Fenglingtu
Sian
Tungkwan
Loyang
Chengchow
Hanchung
Siangyang
Ichang
Shasi
HANKOW
Hanyang
NANKING
Wuhu
SHANGHAI
Woosung
Hangchow
Ningpo
CHUNGKING
Kiukiang
NANCHANG
Changteh
Yochow
Changsha
Chuchow
Hengshan
KWEIYANG
Kweilin
Linchow
Wuchow
Nanning
Lungchow
Pakhoi
Kaochow
CANTON
Foshan
Macao
Kowloon
HONGKONG
Swatow
Chaochow
Amoy
Changchow
Foochow
Yenping
Wenchow
TAIWAN
Haikow
Kiungchow

Amoy	May 10, 1938
Anking	June 12, "
Bias Bay	Oct. 12, "
Canton	Oct. 21, "
Changteh	Nov. 4, 1937
Chaochow	June 24, 1939
Chechow	July 19, 1939
Cheefoo	Feb. 3, 1938
Chengting	Oct. 8, 1937
Chiahsing	Nov. 18, "
Chiayu	Nov. 3, 1938
Fenghsin	Mar. 22, 1939
Fenglintu	Mar. 7, 1938
Fengyang	Dec. 17, 1937
Foochow	June 27, 1939
Foshan	Oct. 26, 1938
Funing	May 6, 1938
Haichow	Mar. 4, 1939
Haikow	Feb. 10, 1939
Hangchow	Dec. 24, 1937
Hankow	Oct. 25, 1938
Hanyang	Oct. 25, "
Hochu	Mar. 6, "
Houhua	Oct. 14, 1937
Hsintienchen ...	Nov. 5, 1938
Hsuchow	May 19, 1938
Huaiyin	Mar. 2, 1939
Huanchu	June 20, 1939
Huiyang	Oct. 15, 1938
Humentsai	Oct. 23, "
Ishui	June 8, 1939
Kaifeng	June 6, 1938
Kaoan	Apr. 2, 1939
Kihsien	Dec. 31, 1938
Kingshan	Jan. 2, 1939
Kiukiang	July 26, 1938
Lienyuan Port ..	May 20, "
Lotien	Nov. 17, "
Lukouchiao	Sept. 7, 1937
Nanchang	Mar. 27, 1939
Nangtung	May 17, 1938
Nanking	Dec. 13, 1937
Ningtsin	Nov. 27, 1938
Paoting	Sept. 24, 1937
Paotou	Oct. 17, "
Paoying	Mar. 2, 1939
Peking	Aug. 4, 1937
Pengpuo	Feb. 2, 1938
Pingyao	Feb. 13, "
Pingyang	Feb. 27, "
Poshan	Dec. 30, 1937
Puchow	Mar. 6, 1938
Shanghai	Nov. 12, 1937
Shaoyuan	Mar. 7, 1939
Shichiachang ...	Oct. 10, 1937
Silien Island ...	Sept. 15, "
Suancheng	Dec. 6, "
Suchow	Nov. 19, "
Swatow	June 21, 1939
Taierchwang ...	Apr. 3, 1938
Taiyuan	Nov. 8, 1937
Tanchow	Apr. 14, 1939
Taning	Dec. 29, 1938
Tatung	Sept. 13, 1937
Tientsin	Aug. 2, "
Tochow	Apr. 9, 1938
Ts'angchow	Sept. 24, 1937
Tsinan	Dec. 26, 1937
Tsingtao	Jan. 10, "
Tsining	Jan. 11, 1938
Tungchow	July 30, 1937
Tungkwan	Nov. 20, 1938
Weihaiwei	Mar. 7, 1938
Weihui	Feb. 17, "
Wenchang	Feb. 22, 1939
Wenchow	June 2, "
Wenteng	Mar. 10, 1939
Woosung	Aug. 23, 1937
Wuchang	Oct. 25, 1938
Wuhu	Dec. 10, 1937
Wuning	Mar. 27, 1939
Yencheng	Apr. 27, 1938
Yingshan	Nov. 19, 1938
Yochow	Apr. 14, 1939

Location Wrecked:	No.	Tonnage
Tsingtao	5	567
Weihaiwei	1	227
Destroyers:		
Tsingtao	1	390
Yangtzekiang	1	390
Torpedo boat:		
Yangtzekiang	1	96
Special service ships:		
Tsingtao	1	1,100
Canton	1	1,700
Yangtzekiang	2	779
Total	43	43,116

PROGRESS OF THE CHINA INCIDENT

Excerpt of Statement by the Bureau of Information, War Department, July 1939

The China Incident enters its third year this month with the Japanese armies in possession of approximately one-third of China's vast expanses, in control of her chief cities and seaports, her major lines of communications and her richest industrial areas. For the first sixteen months of the conflict, hostilities were featured by mass troop movements and major engagements. The Chinese successively lost Shanghai, Nanking, Hsuchow, Canton and Hankow—crushing defeats all—before they were convinced that they could not stand before the superior arms of the Japanese. The fall of Hankow, on October 27, 1938, marked a turning point in Chinese military strategy. From that date, scarcely a week after the loss of Canton, the Chinese abandoned large-scale military operations and took resort to guerrilla warfare and behind-the-lines "hit-and-run" tactics.

These new tactics favored the Japanese. Already in control of the most important areas of the country ,they were able to concentrate on the consolidation of these areas and the establishment of peace and order, therein, which was effected by the strengthening of garrison forces in the rear, the organization of peace preservation committees and other measures of an effective nature. Peace and order have been restored to a large extent in North and Central China. In Central China, residence to pacification has been stronger than in the other regions, owing to the proximity of the Japanese occupied area to the Nationalist Government's shrinking domain. A summary of conditions existing on the various fronts will be presented here.

Chinese Guerrilla Tactics

Since the fall of the three Wuhan cities of Hankow, Wuchang and Hanyang, the Chinese armies have been resorting to guerrilla warfare in efforts to resist the Japanese forces. Cadres have been established by the Chinese military authorities for training guerrilla commanders; provincial governments have been reorganized so as to enable their chairmen to assume concurrent command of the Chinese troops stationed in those provinces; military and civil administrations have been unified through the creation of military districts corresponding to administrative units, and so-called "special war zones" have been set up in the Japanese occupied areas for the purpose of unifying the command of various guerrilla-crops, strengthening their organization, and intensifying popular training and enlightenment. These Chinese attempts to crystallize anti-Japanese sentiment and resistance among the people at large are so well organized that they should not be overlooked.

It is true that an uninterrupted series of military reverses has demoralized and disheartened the Chinese armies, but it also must be noted that anti-Japanese sentiment is enduring, not only in the area under the jurisdiction of the Kuomintang Government but in the Japanese controlled regions as well. This is due largely to clever propaganda, jointly carried on by the Chinese Communist Party and the Kuomintang.

Communist activities in the area under the jurisdiction of the Kuomintang Government are growing more and more vigorous month after month. The Chinese Communists have organized anti-Japanese administrative machinery in various areas beyond the reach of the Japanese, appointing provincial governors and local magistrates of their own choosing. Especially manifest is the Communist activity in North China, where the Party not only is forcing Chinese guerrillas to attempt to disturb the Japanese lines of communication but also is recruiting and arming general inhabitants, in an effort to mold them into an anti-Japanese front. The local governments under Communist influence are staffed by graduates of the Communist University at Yenan, in Shensi Province, in addition to members of the Kuomintang Government.

Following the Japanese victory in the battle for Hankow, however, the Japanese garrison forces in the rear have been bolstered to the extent that peace and order are being extended steadily in the areas which the Japanese have penetrated. This has been achieved by liquidating remnants of Chinese troops and guerrillas in the erstwhile bandit-ridden regions. With the extension of the area under Japanese occupation, the Chinese masses have begun to understand the real intentions of the Japanese armies, at the same time becoming disaffected from the Communist provincial governments and guerrilla bands which have preyed upon them. A shortage of commodities from which the Chinese people long have suffered has added to their estrangement.

The Kuomintang Party professes its cooperation with the Communists in their national campaign, but in reality it is obstructing the Communist operations at every juncture possible for fear that the Party's influence will grow beyond control. Friction between the Kuomintang and Communist parties is in evidence not only among the leaders of the Chungking Government but in the minor branches of the regime. It is no exaggeration to say, therefore, that rapid restoration of peace and order in the Japanese occupied areas, together with the steady progress of the drive for the construction of a New Order in East Asia, is undermining the anti-Japanese policy of the Kuomintang Government by rallying the Chinese under the banner of the new regime of China.

North China

Banditry in North China was rampant in 1938, reaching its peak during the summer. Since then it has declined considerably, however, particularly since the reinforcement of the Japanese North China garrisons was effected following the reduction of the Wuhan cities. Frequent Japanese clean-up campaigns have decimated the Chinese bandity forces and seriously impaired their morale, to say nothing of rendering it increasingly difficult for them to secure necessary supplies. Early in the conflict, it was possible to maintain peace and order only in the towns garrisoned by Japanese troops and along the lines of communication, with the consequence that unrest sometimes prevailed in the Peking-Tientsin sector, in Hopei Province.

The situation no longer obtains, however, thanks to systematic clean-up campaigns conducted by the Japanese forces, and peace and order is spreading rapidly throughout North China. These mopping-up campaigns invariably are followed by political, cultural and economic advances. Even so, considerable time and strenuous efforts will be required to properly renovate North China, since approximately 300,000 Chinese bandits remain to be dealt with in this region and anti-Japanese sentiments prevail among a large section of the people, owing to the unrelaxing joint efforts of the Kuomintang and the Chinese Communist Party.

Inner Mongolia

A rough survey made at the middle of March listed the number of Chinese effectives, including regulars, guerrillas and bandits in the part of Inner Mongolia from Ikochao, in the north to northern Shansi Province, in the west, at approximately 60,000, including 40,000 troops of the central and provincial armies, 3,000 Communist troops, 4,000 Communist bandits, 5,000 guerrillas and 4,000 bandits. Early in March, Chinese troops under General Fu Tso-i retreated to the region west of the Great Wall before the Japanese onslaught and Chinese troops under General Ma Chan-shan, which had invaded the district near Tokto, on the north bank of the Yellow River, also were repulsed by the Japanese. Very few Chinese regulars now remain within the Japanese occupied area in Inner Mongolia.

Chinese troops elsewhere in Inner Mongolia participated in the abortive "April offensive," but their attempts soon were frustrated by the Japanese troops.

There is no occasion for concern as regards the Chinese troops hovering around the Japanese occupied area in Inner Mongolia, but close attention is being given the movements of a large Chinese force in the more remote areas. The latter troops apparently are awaiting an opportunity to invade the Japanese occupied area.

Roughly 5,000 Chinese soldiers had surrended to the Japanese military authorities in Inner Mongolia by the middle of March, alarming the Kuomintang and Communist armies, which are doing everything in their power to win back these troops.

In short, peace and order have been well established in Inner Mongolia except at Tsoyun, in the Yinshan mountain range, and at Lingkiu, a town on the border of Chahar and Hopei provinces, while various reconstruction and rehabilitation works are progressing smoothly under the guidance of the new regime.

Shansi Province

The majority of the Chinese troops in Shansi Province are regulars. An investigation carried out in March revealed that over a dozen divisions of central and provincial troops, made up mostly of Shansi and Szechuan soldiers, were operating in southern Shansi Province. Of these, some 10 divisions of Shansi troops under General Yen Hsi-shan set up their headquarters in the western part of the Province and Chinese Communist troops under General Chu Te established bases at Wutai, Liaohsien, Tsinhsien and Shihlow. In cooperation with local bandits, these troops carried on guerrilla warfare, also recruiting and arming civilians.

In northern Shansi, the Chinese irregulars are fast losing their influence as a result of the successful Japanese attack on Mount Wutai, one of the five sacred mountains in China, where the Communist troops had set up their headquarters. The Japanese garrison troops in northern Shansi Province, including those stationed on Mount Wutai, have been reinforced and the bandit-ridden districts have been subjected to both military and economic blockades. Natives who hitherto had pledged only nominal allegiance to the Japanese Army, now are cooperating sincerely with the Japanese authorities. Citizens of Lishih, in Western Shansi Province, for example, recently have urged the bandits to suspend hostilities against the Japanese.

Activities of Chinese Communist troops in Central Shansi Province have been confined to the area north and south of the Shihkiachwang-Taiyuan Railway. Prospects for restoration of peace and order in this region, in time, seem favorable, since those of the people who have not yet adopted communistic principles have begun to sympathize with various Japanese operations.

The situation in and around Taiyuan, capital of Shansi Province, is regarded as favorable and economic rehabilitation is progressing satisfactorily.

Southern Shansi Province presents a somewhat different situation, however, as parts of the area across the Yellow River are not under Japanese control, in consequence of which the Chinese are able to bring in war materials from Honan and Shensi Provinces. Despite repeated clean-up campaigns carried out by the Japanese forces, Chinese troops still maintain bases in the mountainous districts on either side of the Lunghai Railway, from which they conduct frequent forays against Japanese positions.

Peace and order gradually are being restored in the Yuncheng and Hotsin sectors of southwestern Shansi, however, through the successful Japanese mopping-up campaign and pacification operations. Chinese refugees are returning to Yuncheng and Hotsin in increasing numbers and the new Chinese troops still are active in the region south of the Chungchiao mountain range and Chianghsien, which lies northeast of Linfen, by reason of which economic rehabilitation is making slow progress and there is a serious shortage of commodities.

In this part of Shansi province, over 20,000 Chinese troops, guerrillas, militiamen and vigilants already have surrendered to the Japanese military authorities. The so-called Red Spear Association, which has a large membership scattered over Wensi, Tungchen and Anyi in Southern Shansi province now is cooperating fully with the Japanese forces in maintaining peace and order in these regions.

Credit must be given the Chinese troops in Shansi for their efficient training, good equipment and tenacious spirit—even though it is directed against the Japanese.

They have taken full advantage of the mountainous topography in resisting the Japanese, hindering the latter in their clean-up operations, which has both military and political aspects. Now that the majority of the Chinese troops, as well as the Chinese people at large, have become convinced of Japan's firm determination to station her troops in Shansi Province, the full return of peace and order to the province now is a mere matter of time.

Hopeh and Honan Provinces

Peace and order prevail in eastern Hopeh Province. In central Hopeh, a suitable foundation for the maintenance of peace and order has been established by the suppression of major bandit forces. There are several local governments in that part of Hopeh, however, whose influence is restricted to a small radius. The mountainous regions west of the Peking-Hankow Railway still are infested by powerful bandit forces. Such being the case, perfect peace and order prevails only in the open spaces and in districts near the towns garrisoned by Japanese troops.

Peace and order have been established in the plains of southern Hopeh, following the successful Japanese clean-up campaign in Nanking and vicinity. The seats of most local governments are garrisoned by Japanese troops. The area in southern Hopeh Province newly occupied by the Japanese is suffering from a dearth of commodities, however, and the farm villages have been laid waste as the result of the "scorched earth" policy carried out over a long period by the Chinese troops under General Lu Chung-liu and the Chinese Communist, or 8th Route Army. Rehabilitation will require much time and effort. Anti-Japanism among the inhabitants dies hard, but Chinese refugees now are returning to their homes in increasing numbers with the gradual restoration of peace and order, under the successful Japanese pacification campaign.

The Chinese army, composed of those Chinese troops which have surrendered to the Japanese, has improved in its fighting quality. It now is engaged in cleaning up Chinese remnants and guerrillas with satisfactory results, independently and in cooperation with the Japanese Army.

Many Chinese vigilants also are cooperating with Japanese troops in their campaign against remnants and guerrillas. In Honan and Hopeh provinces, the latter have become negligible factors since last February, but the Chinese Communist Army is still active in the Tahsin mountain range, which forms the border between Shansi and Honan provinces. Both the Kuomintang and Communist parties have securely established their bases in the British and French Concessions at Tientsin. The Communist and Kuomintang troops also are operating in Hopeh Province, striking from their strongholds across the Yellow River with the result that peace and order have not yet been restored fully to the two provinces of Hopeh and Honan.

Pacification has been extended to the greater part of Shantung and Kiangsu provinces, following successful Japanese military campaigns on the lower reaches of the Yellow River in late January, on the Hopei border north of the Yellow River in February, and a third large-scale campaign in northern Kiangsu Provinces early in March, which resulted in the Japanese capture of Haichow, eastern terminus of Lunghai Railway.

The Shantung Railway, which formerly was the object of frequent attacks by bandits, has seen a marked decrease in train derailments since November, 1938 though its telegraph lines and tracks have been cut from time to time.

The safety zone along either side of the Tientsin-Pukow Railway also is being extended rapidly. In northern Anhwei province, the Chinese Communist troops and guerrillas occasionally cross the new Yellow River in an attempt to disturb the Japanese occupied area east of the river. Chinese regulars and guerrillas who have surrendered to the Japanese military authorities in Shantung, Haichow, Hsuchow and Kaifeng number about 25,000.

Central China

The Japanese occupied area in Central China is not so extensive as that in North China, the "peaceful zone" including only the areas along major railways and highways, the places garrisoned by Japanese troops and the perimeters of large towns and cities. This is due to the fact that Central China is contiguous to the area remaining under the jurisdiction of the Nationalist Government, now situated at Chungking, which is patrolled by large forces of the so-called Central troops. Anti-Japanism is more widespread in Central China. The Kuomintang and Communist Parties, directing their activities from foreign controlled area, also are responsible for this unfavourable situation to some extent.

The stabilized zone is being expanded steadily, however, by dint of vigorous campaigns conducted by the Japanese garrison forces against Chinese effectives from time to time and due to effective measures taken by the New Nanking Government for the maintenance of peace and order.

Guerrillas in Central China are affiliated either with the regular Chinese Army or with the newly organized 4th Communist Army. Operating from bases outside the Japanese occupied area, they steal behind the Japanese lines to disturb the area. A survey undertaken at the end of January disclosed that more than 40,000 soldiers and guerrillas up to that time had surrendered following the Japanese capture of the Wuhan area. Partly because of internal strife and partly due to the intensify of the Japanese military operations, not to speak of the dearth of daily necessities Chinese soldiers are giving up in ever-increasing numbers. The railways in Central China now are protected voluntarily by the Chinese people living along the lines, who have organized themselves into special units for the purpose.

South China

The Japanese expeditionary forces stole a march on the Chinese troops, which had been in South China planning to take part in the ill-conceived "April offensive." Before the offensive could get under way, they routed the Chinese 62nd and 63rd armies west of Tsungfa, approximately 50 kilometers north of Canton on April 10, 1939 and shattered the Chinese offensive north of Tsengcheng, about 60 kilometers east of Canton on April 16. Seven days later they occupied Sunwui, on the West River, thus depriving the Chinese troops of an important base for operations on the vital river.

Peace and order have been established on a firm basis in the area under Japanese control in South China.

Hainan

Although Japanese military operations in Hainan Island are progressing smoothly, it will take some time before the entire island is pacified. The Japanese on April 16, 1939 occupied Sinying, port in the northwestern part of Hainan, Kachek on the eastern coast of the island, and Lokwei, 20 kilometers south of Kachek, after wiping out some 400 Chinese soldiers.

Revision of the Military Service Law

Certain important revisions in the old provisions pertaining to the military service system became necessary as a result of the Sino-Japanese Hostilities which commenced in July 1937. The items of revision include: amendments to the regulations on the term of military service; conscription of ex-service men; postponement of conscription for students and the manner of this conscription; abrogation of the short-term service system, and recognition of the privilege of postponement of conscription for Japanese students in Manchoukuo Government schools.

Under the new Law the term of the supplementary reserve service for the Army has been lengthened from 12 years and four months to 17 years and four months, while that of the first reserve service for the Navy has been prolonged from four years to five years and that of the second reserve service from five years to seven years.

The following revisions have been made in the method of calling out ex-service men for periodical training:

1. According to old provisions, the duration of training for ex-service men was fixed at less than 35 days for the Army and less than 70 days for the Navy, while the latter could be increased by 50 days when deemed necessary. The new regulations extends this lengthening privilege to the Army also in view of the necessity of drilling army ex-service men in the advanced and more complex technique of present day military science.

2 Formerly, first supplementary untrained reservists only were called out for actual training. Now, second supplementary untrained reservists may also be called out for this purpose.

3. Formerly, when there was a shortage in forces even with the recalling of all those under leave of absence at the time of special need, only those ex-soldiers who were in the first year of their first-reserve service were summoned to cover the shortage. But the new provisions empower the Army to call out when necessary all men in the first reserve list, regardless of the year of service they are in.

4. According to the old provisions, conscripts found non-effective at the time of medical examination on their entrance to the barracks as a result of suffering from disease or accident in the internal between enrolment and the actual service were exempted from service altogether. The revised provisions prescribe that "they shall be called to active service at a later date or year, or may be exempted from it."

The short-term service system of five months for teachers in elementary schools is abolished under the new provisions. Hitherto, those entitled to the short-term service entered the service without drawing lots or passing the conscription medical examination. Now, they are handled in the same manner as all other young men as regards physical standards and methods of selection.

The medical examination and enrolment of students who reach the age of twenty was postponable for as many years as they pursue their studies in schools, but under the revised system a certain limit to the term of postponement has been instituted. According to the new system the maximum age up to which conscription can be postponed varies according to courses. The maximum postponement of 26 years of age is permitted only to medical students of universities. Furthermore a new provisions is added to the new system according to which all students of and above 21 years may be conscripted in time of emergency even before the expiration of the term of postponement so that they may take part in the defense of their country.

These new rules will come into force from December 1, 1939. Those who are in schools on that day shall remain under the old rules so as not to interfere with their course of study.

References:

Table Nos.: 1-2 a, 3-4 b, 5-7 c, 8-11 b, 12 d, 13 b, 14-16 d, 17-20 e.

Key:
- a—Report of Department of Finance.
- b—Cabinet Statistic Bureau.
- c—Report of Department of War.
- d—Report of Department of Navy.
- e—Reports of the Japanese Army & Navy Headquarters.

Table 35. Distance and Fares of Principal Airways

Sapporo–Dairen; Fukuoka–Taihoku Line

Sapporo	¥20	¥37	¥55	¥72	¥80	¥110	¥170	¥220	¥134	¥150	¥162	¥172	¥190
km. 280	Aomori	17	35	52	60	90	150	200	114	130	142	152	170
610	km. 330	Sendai	18	35	43	73	133	183	97	113	125	135	153
940	660	km. 330	Tokyo	17	25	55	115	165	79	95	107	117	135
1236	956	626	km. 296	Nagoya	8	38	98	148	62	78	90	100	118
1375	1095	765	435	km. 139	Osaka	30	90	140	54	70	82	92	110
1875	1595	1265	935	639	km. 500	Fukuoka	60	110	24	40	52	62	80
2785	2505	2175	1845	1549	1410	km. 910	Naha	50	84	100	112	122	140
3485	3205	2875	2545	2249	2110	1610	km. 700	Taihoku	134	150	162	172	190
2205	1925	1595	1265	969	830	330	1240	km. 1940	Taikyu	16	28	38	56
2439	2159	1829	1499	1203	1064	564	1474	2174	km. 234	Keijo	12	22	40
2639	2359	2029	1699	1403	1264	764	1674	2374	434	km. 200	Heijo	10	28
2799	2519	2189	1859	1563	1424	924	1834	2534	594	360	km. 160	Shingishu	20
3072	2792	2462	2132	1836	1697	1197	2107	2807	867	633	433	km. 273	Dairen

Tokyo—Saipan—Palau

Tokyo	¥235	¥375
km. 2610	Saipan	140
4180	km. 1570	Palau

Keijo—Kanko—Seishin

Keijo	¥18	¥36
km. 270	Kanko	18
540	km. 270	Seishin

Chinese Enterprise

Tatung	¥22	¥47	¥62	¥107	¥147	¥192	¥217	¥112	¥87	¥98
Changchiakow		25	40	85	125	170	195	90	65	76
Peking			15	60	100	145	170	65	40	51
Tientsin				45	85	130	155	50	25	36
Tsinan					40	85	110	95	70	81
Hsuchow						45	70	135	110	121
Nanking							25	180	155	166
Shanghai								205	180	191
Dairen									—	—
Chinchow										11

Taiwan Inland Line

	¥	km.
Taihoku-Taichu	8	135
Taichu-Tainan	9	135
Tainan-Byoto	5	40
Byoto-Taito	13	150
Taito-Karenko	10	155
Karenko-Giran	11	110
Giran-Taihoku	6	40
Tainan-Mako	10	90

Tokyo					
km. 213	Nagano				
380	km. 167	Niigata			
413	200	km. 367	Toyama		
463	250	417	km. 50	Kanazawa	
723	510	677	310	km. 260	Osaka

Tokyo—Toyama—Osaka

Tokyo–Hsinking
Keijo–Dairen
Express Services

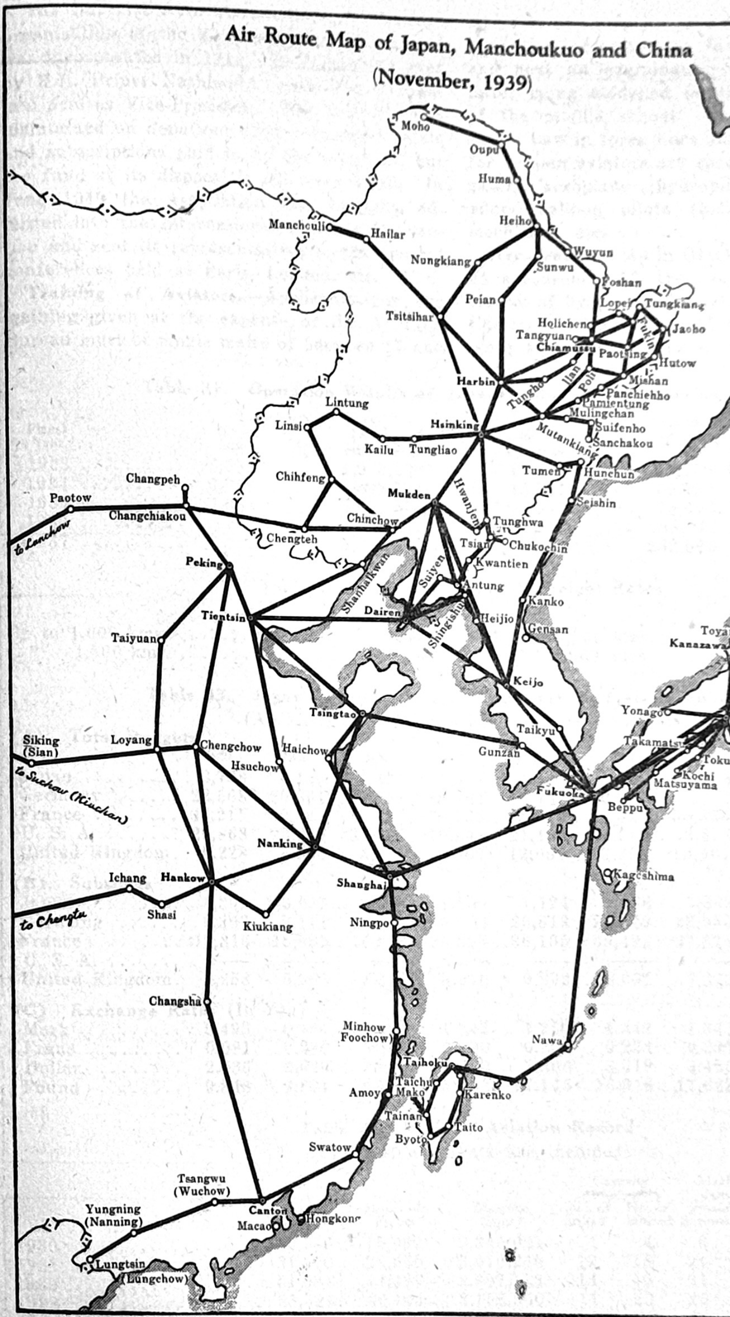
Tokyo	¥30	¥65	¥105	¥149	¥170	¥150
km. 425	Osaka	35	75	119	140	120
925	km. 500	Fukuoka	40	84	105	85
1475	1050	km. 550	Keijo	44	65	45
2045	1620	1120	km. 570	Mukden	21	—
2820	1895	1395	845	km. 275	Hsinking	—
2025	1600	1100	550	—	—	Dairen

Fukuoka–Shanghai–Nanking

Fukuoka	¥85	¥110
km. 950	Shanghai	25
1220	km. 270	Nanking

Fukuoka–Tsingtao–Peking

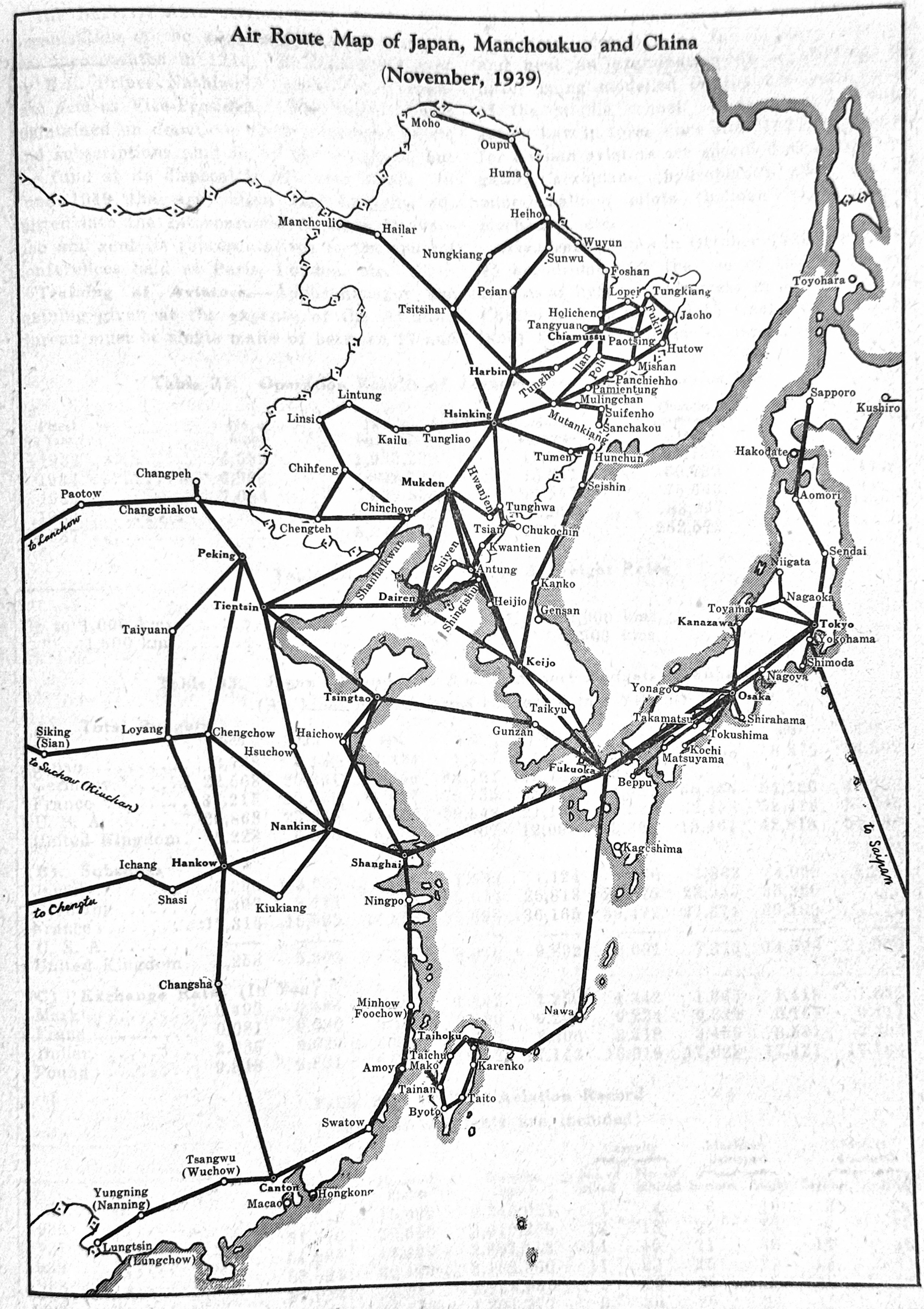
Fukuoka	¥85	¥135	¥150
km. 930	Tsingtao	50	65
1370	km. 440	Tientsin	15
1480	550	km. 110	Peking



Air Route Map of Japan, Manchoukuo and China
(November, 1939)

Moho
Oupu
Huma
Heiho
Wuyun
Manchouli
Hailar
Nungkiang
Sunwu
Poshan
Peian
Lopei
Tungkiang
Tsitsihar
Holichen
Tangyuan
Chiamussu
Fukin
Jaoho
Paotsing
Hutow
Harbin
Tungho
Ilan
Poli
Mishan
Panchiehho
Pamientung
Mulingchan
Lintung
Hsinking
Suifenho
Sanchakou
Mutankiang
Linsi
Kailu
Tungliao
Tumen
Hunchun
Chihfeng
Seishin
Changpeh
Mukden
Hwanjen
Paotow
Changchiakou
Chinchow
Tunghwa
to Lanchow
Chengteh
Tsian
Chukochin
Kwantien
Peking
Shanhaikwan
Suiyen
Antung
Dairen
Heijio
Kanko
Tientsin
Shingishu
Gensan
Taiyuan
Keijo
Tsingtao
Taikyu
Siking (Sian)
Loyang
Chengchow
Haichow
Gunzan
Hsuchow
to Suchow (Kiuchan)
Fukuoka
Nanking
Ichang
Hankow
Shanghai
Shasi
to Chengtu
Kiukiang
Ningpo
Kagoshima
Changsha
Minhow Foochow)
Nawa
Taihoku
Taichu
Mako
Amoy
Karenko
Tainan
Taito
Byoto
Swatow
Tsangwu (Wuchow)
Yungning (Nanning)
Canton
Macao
Hongkong
Lungtsin (Lungchow)
Toyohara
Sapporo
Kushiro
Hakodate
Aomori
Niigata
Sendai
Toyama
Nagaoka
Kanazawa
Tokyo
Yokohama
Shimoda
Nagoya
Yonago
Osaka
Shirahama
Takamatsu
Tokushima
Kochi
Matsuyama
Beppu
to Saipan

Air Route Map of Japan, Manchoukuo and China
(November, 1939)


Moho
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Lopei
Tungkiang
Holichen
Fukin
Jaoho
Tangyuan
Chiamussu
Paotsing
Hutow
Ilan
Harbin
Poli
Mishan
Tungho
Panchiehho
Pamientung
Mulingchan
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Chihfeng
Seishin
Changpeh
Mukden
Hwanjen
Paotow
Changchiakou
Chinchow
Tunghwa
Tsian
Chukochin
to Lanchow
Chengteh
Kwantien
Peking
Shanhaikwan
Suiyen
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Kanko
Dairen
Shingishu
Heijio
Tientsin
Gensan
Taiyuan
Keijo
Tsingtao
Taikyu
Siking
(Sian)
Loyang
Chengchow
Haichow
Gunzan
Hsuchow
to Suchow (Kiuchan)
Fukuoka
Nanking
Shanghai
Ichang
Hankow
Shasi
Kiukiang
to Chengtu
Ningpo
Changsha
Minhow
Foochow
Nawa
Taihoku
Taichu
Mako
Karenko
Amoy
Tainan
Taito
Byoto
Swatow
Tsangwu
(Wuchow)
Canton
Hongkong
Macao
Yungning
(Nanning)
Lungtsin
(Lungchow)
Toyohara
Sapporo
Kushiro
Hakodate
Aomori
Sendai
Niigata
Nagaoka
Toyama
Kanazawa
Tokyo
Yokohama
Shimoda
Nagoya
Yonago
Osaka
Takamatsu
Shirahama
Tokushima
Kochi
Matsuyama
Beppu
Kagoshima
to Saipan

CHAPTER XLI

CHOSEN (Korea)

GEOGRAPHY

POSITION, AREA, CLIMATE, ETC.

Position—33° 6′ 40″—43° 00′ 36″ N.L.; 124° 11′—130° 56′ 23″ E.L.

Area— 220,769 sq. kms. **Coastline**— 18,204 kms. (Inclusive of outlying islands).

Northern Korea is mountainous and rich in timber, and southern Korea fertile and well cultivated. The Rivers Tumen and Yalu separate the peninsula from Manchoukuo. Principal rivers are the Oryoku-ko (Yalu), 790 kms.; Daido-ko (Tadong), 397 kms.; Kan-do (Han), 470 kms.; and Toman-ko (Tumen), 521 kms.

METEOROLOGICAL OBSERVATION

Table 1. Weather Condition in 1938

	Fusan	Moppo	Jinsen	Koryo	Gensan
Temperature (C)					
Highest	25.6	26.1	24.9	24.5	23.4
Lowest	1.8	0.9	–4.0	–1.3	–3.8
Yearly Ave.	13.6	13.2	10.7	12.0	10.2
Atmospheric Pressure					
Highest	767.3	768.8	769.5	766.9	767.7
Lowest	755.9	755.4	755.5	755.5	755.6
Yearly Ave.	761.9	762.3	762.7	761.5	761.9
Precipitation (mm.)					
Monthly Ave.					
Highest	289	209	280	238	315
Lowest	32	37	19	56	32
Whole Year	1,414	1,076	1,033	1,290	1,339
Humidity (%)					
Highest	83	86	85	81	82
Lowest	50	70	65	60	54
Whole Year	65	75	72	66	66

POPULATION

Table 2. Area & Population of Chosen

Year	Area (sq. kms.)	Total No. of Households (1,000)	Total Population	Japanese	Chosenese	Foreigners	per sq. km.
1910	220,794	2,804	13,313,017	171,543	13,128,780	12,694	60.3
1933	220,794	3,952	20,791,321	543,104	20,205,591	42,626	94.2
1934	220,794	4,011	21,125,827	561,384	20,513,804	50,639	95.7
1935	220,794	4,143	21,891,180	583,428	21,248,864	58,888	99.2
1936	220,794	4,179	22,047,836	608,989	21,373,572	65,275	99.9
1937	220,794	4,227	22,355,485	629,512	21,682,855	43,118	101.3
” Male			11,352,056	322,412	10,997,432	32,212	...
” Female			11,003,429	307,100	10,685,423	10,906	...
1937:							
Keiki-do	12,821	472	2,457,947	159,299	2,294,554	4,094	191.7
Chusei Hoku-do	7,418	169	908,792	8,741	899,748	303	122.5
Chusei Nan-do	8,106	276	1,504,708	27,046	1,476,844	818	185.6
Zenra Hoku-do	8,554	298	1,552,249	35,884	1,515,611	754	181.5
Zenra Nan-do	13,887	483	2,457,786	45,288	2,411,987	511	177.0
Keisho Hoku-do	18,989	463	2,449,100	51,123	2,397,610	367	129.0
Keisho Nan-do	12,305	428	2,224,287	97,146	2,126,801	340	180.8
Kokai-do	16,738	425	1,666,987	22,074	1,643,548	1,365	99.6
Keian Nan-do	14,944	278	1,470,028	39,995	1,427,340	2,693	98.4
Keian Hoku-do	28,445	300	1,642,741	23,663	1,599,686	19,392	57.8
Kogen-do	26,263	287	1,544,203	16,785	1,527,189	229	58.8
Kankyo Nan-do	31,978	290	1,643,855	53,148	1,575,844	5,863	51.1
Kankyo Hoku-do	20,347	159	841,802	49,320	786,093	6,389	41.4

Table 3. Population by Occupation

Year		Agriculture, forestry & fishery	Mfg. ind.	Cemmerce & Transport	Civil & professional occupation	Others	Without occupation	Total
1931	Japanese	54,251	74,151	148,182	182,660	32,832	22,590	514,666
	Chosenese	16,047,149	434,880	1,247,619	547,541	1,082,978	350,001	19,710,168
	Others	9,235	5,136	16,245	1,660	5,067	781	38,124
	Total	16,110,685	514,167	1,412,046	731,861	1,120,877	373,372	20,262,958
1936	Japanese	44,820	91,974	176,055	245,571	26,556	24,013	608,989
	Chosenese	16,811,448	594,739	1,463,461	638,237	1,490,645	375,042	21,373,572
	Others	13,582	10,942	29,347	2,159	8,933	412	65,275
	Total	16,869,740	697,655	1,668,863	885,967	1,526,134	399,467	22,047,836
1937	Japanese	44,581	98,624	177,759	260,566	24,182	23,800	629,512
	Chosenese	16,925,516	659,724	1,524,535	684,283	1,518,811	370,986	21,682,855
	Others	10,230	7,987	13,549	1,774	9,327	251	43,118
	Total	16,980,327	765,335	1,715,843	946,623	1,552,320	395,037	22,355,485

Table 4. Movement of Population per 1,000 Inhabitants

	Birth		Still-Birth		Death		Marriage		Divorce	
	Japanese	Chosenese	Japanese	Chosenese	Japanese	Chosenese	Japanese	Chosenese	Japanese	Chosenese
1928	33.23	38.06	1.42	0.16	17.69	22.75	2.85	10.28	0.28	0.44
1934	24.04	30.01	1.46	0.19	15.05	19.43	4.16	5.80	0.15	0.25
1935	24.23	29.46	1.60	0.18	15.23	19.83	3.59	5.71	0.16	0.25
1936	23.92	28.79	1.67	0.19	15.56	19.84	3.95	5.79	0.16	0.25
1937	23.74	28.97	1.79	0.20	15.13	17.84	3.63	5.75	0.08	0.24

Table 5. Population in Principal Cities

	(1936)	(1937)		(1936)	(1937)
Keijo (Seoul)	677,241	706,396	Gen-san (Wonsan)	61,772	63,996
Jinsen (Chemulpo)	100,303	102,473	Moppo	60,005	62,457
Gunsan	42,127	42,851	Kaijo	55,482	56,595
Taikyu	108,669	110,866	Seishin	56,665	66,958
Fusan	206,386	213,142	Shingishu	50,912	51,347
Heijo (Pyongyang)	180,421	185,419	Kanko	54,350	61,430
Chinnanpo	'48,727	48,838			

ADMINISTRATION

THE GOVERNMENT-GENERAL

Korea is under the rule of the Governor-General, who is appointed by the Emperor. By the revision effected in 1919 in the organization of the administrative machinery of the peninsula, the former military government was replaced with one in which the civil factor is predominant. Thus the Governor-Generalship is now open to either a civilian or a service man, though formerly it was restricted to a General or an Admiral.

Directly under the Governor-General is an Inspector-General of Political Affairs whose function is to assist the Governor-General and inspect the official business of the local governments and various other affiliated objects. The Government-General is divided into the Government-General's Secretariat and the Bureau of Internal Affairs, Finance, Justice, Industry, Education, Politics, Communications, Railways and Monopoly.

The Central Council.—This is in effect a Privy Council and considers matters submitted to it by the Governor-General. The members of the Council consist of one President, one Vice-President, five Advisors and 65 Councillors, all Koreans.

LOCAL ADMINISTRATION

The entire territory is divided into thirteen "do" or provinces which are ruled over by Governors.

Besides the thirteen provinces, there are twelve "fu" corresponding to the city in Japan proper.

Table 6. Provinces and Seats of Government

Province	Seat of Office
Keiki-do (Kyongki)	Keijo (Seoul)
Chusei Hoku-do (N. Choong-chong)	Seishyu
Chusei Nan-do (S. Choong-chong)	Taiden
Zenra Hoku-do (N. Chonla)	Zenshyu
Zenra Nan-do (S. Chonla)	Koshyu
Keisho Hoku-do (N. Kyong-sang)	Taikyu
Keisho Nan-do (S. Kyongsang)	Fusan
Kokai-do (Whanghai)	Kaishyu
Heian Nan-do (S. Pyong-an)	Heijo
Heian Hoku-do (N. Pyong-an)	Shingishu
Kogen-do (Kwan-won)	Shunsen
Kankyo Hoku-do (N. Ham-kyong)	Ranan
Kankyo Nan-do (S. Hamkyong)	Kankyo

Local Councillors.—As a preliminary step toward self-government, local advisory bodies were created in October, 1920. These are essentially consultative bodies and are of three kinds: (1) Provincial Councils, (2) Municipal Councils, (3) Village Councils.

FINANCE

With the annexation a Special Account was established for the Government-General, the expenditure to be met by the revenue of Korea and the deficit filled up with aids from the home Government. All public utility items as road-making, harbours, railways, etc., are defrayed with proceeds from public loans, or borrowed money chargeable to the Special Account, while military and naval outlays are payable out of the General Accounts of the Imperial Government. The latter totalled ¥125,626,000 from 1919 to 1923. In 1919 the Government-General could for the first time dispense with financial aid from the Imperial Government, but the reforms in the police system and other administrative organs carried out that year required help again from the Imperial Treasury.

Table 7. Revenue & Expenditure

(Year ending March 31; In ¥1,000)

(a) Revenue

	1934 (Settled)	1935 (Settled)	1936 (Settled)	1937 (Settled)	1938 (Settled)	1939 (Budget)
Ordinary:						
Taxes	47,625	56,129	64,364	74,306	81,590	81,495
Stamp receipts	13,898	16,670	18,670	20,939	19,787	20,623
Receipts from Government undertakings and properties	135,193	160,606	175,927	198,142	235,939	258,214
Miscellaneous receipts	2,703	3,121	3,401	3,680	3,945	3,911
Total	199,419	236,527	262,362	297,067	341,263	364,242
Extraordinary:						
Proceeds of sale of State property	1,125	589	466	358	127	26
Receipts from the issue of public loans or borrowings	25,648	27,926	20,923	26,122	51,004	106,000
National treasury grants	12,854	12,825	12,826	12,918	12,914	12,909
Transfer of the surplus from preceding year	5,806	22,849	32,593	46,261	60,021	26,369
Total including others	52,654	64,415	67,857	87,426	129,446	154,673
Total Revenue	**252,073**	**300,942**	**330,219**	**384,493**	**470,709**	**518,915**

(b) Expenditure

	1934 (Settled)	1935 (Settled)	1936 (Settled)	1937 (Settled)	1938 (Settled)	1939 (Budget)
Ordinary:						
Royal Household of Ri	1,800	1,800	1,800	1,800	1,800	1,800
Government-General	3,799	4,002	4,532	5,237	6,055	7,040
Judicial courts, and office consignment	3,488	3,553	3,698	3,794	6,376	6,527
Prisons	4,616	5,064	5,716	5,854	28,431	29,137
Local governments	29,032	26,092	26,777	27,355		
Educational Institutions and libraries	2,081	3,147	3,315	3,543	4,032	4,705
Customs-houses	1,187	1,250	1,394	1,514	1,488	1,716
Forestry stations	3,862	4,796	5,565	6,032	7,094	10,103
Communications	13,038	13,992	14,878	15,999	18,437	21,422
Monopoly bureau	23,914	27,980	30,058	32,063	34,286	38,672
Railways	49,292	62,313	65,980	76,393	94,281	108,508
Transferred to national debt consolidation fund special account	24,364	25,022	27,015	31,011	29,670	31,709
Total including others	167,479	192,305	205,979	226,827	253,755	290,198
Extraordinary:						
Subsidies	17,262	19,702	21,781	21,717	25,584	33,612
Expenses for repairs and construction	1,956	3,310	4,464	4,708	5,558	6,399
Expenses for public works	8,545	10,169	12,035	12,935	18,744	19,018
Railway construction and improvement	18,706	18,498	23,880	34,425	63,042	104,391
Improvement expenses for arable lands	5,136	4,414	3,850	3,877	3,687	1,570
Transferred to temporary National Defense Special Account	—	—	—	1,900	11,034	26,978
Total including others	61,745	76,044	77,979	97,646	153,272	228,717
Total expenditure	**229,224**	**268,349**	**283,959**	**324,472**	**407,027**	**518,915**

PUBLIC DEBTS

Table 8. Government Loans Outstanding

(Year ending March 31; In ¥1,000)

	1934	1935	1936	1937
Drought relief loan	8,750	7,750	6,250	2,300
Chosen peers relief fund loan	1,780	1,600	1,420	1,240
4% loan (1st series)	637	637	637	637
5% loan	109,165	109,465	107,677	101,999
4½% Exchequer bonds	23,871	23,871	23,871	23,871
5% Exchequer bonds	239,114	229,114	206,374	—
4% Exchequer bonds	81,264	118,249	162,335	162,335
4% loan	8,146	8,146	8,146	8,146
3½% Exchequer bonds				238,193
Total	473,026	498,831	516,708	549,731

EDUCATION AND RELIGION

EDUCATION

Under the new educational ordinance and regulations of 1922, the ordinary and higher common schools for Korean boys and girls are placed on the same status as elementary and secondary (i.e. middle and girls' high schools), while according to circumstances, Korean children may be admitted into the latter schools and Japanese into the former. The schools of the secondary and higher grades for vocational training are controlled in practice by the regulations governing the corresponding institutions in Japan proper. Both Japanese and Korean students are co-educated in those schools. The statistics of schools for the latest year available are given below:—

Table 9. Statistics on Schools

(End of May, 1938)

		No. of schools	Teaching staff	Enrolment	Annual expenditure (Yen)
Elementary Schools	Government	2	17	622	....
	Public	503	2,476	89,189	4,859,484
Middle Schools	Public	16	333	7,778	1,233,696
Girls' High Schools	Public	29	436	11,268	1,354,605
	Private	1	19	656	64,445
Common Schools	Government	6	55	2,448	....
	Public	2,503	12,525	858,941	21,116,739
	Private	92	636	37,793	789,598
Higher Common Schools	Public	16	389	8,922	1,149,041
	Private	11	238	6,707	445,129
Girls' Higher Common Schools	Public	11	131	2,948	664,093
	Private	10	186	4,200	379,436
Agricultural Schools	Public	34	392	7,510	2,074,170

(Continued)

		No. of schools	Teaching staff	Enrolment	Annual expenditure (Yen)
Commercial Schools	Public	17	288	6,481	1,134,938
Engineering Schools	Private	8	134	3,702	232,751
	Government	1	25	238	88,301
Fishery Schools	Public	3	33	232	65,630
Vocational Schools	Public	6	76	1,316	275,263
	Private	3	43	844	52,579
Supplementary Technical Schools	Public	116	359	5,659	1,050,523
	Private	9	30	666	46,901
Technical Schools	Government	5	244	1,292	1,062,643
	Public	2	28	570	131,584
	Private	8	270	2,390	990,548
University	Government	1	616	516	2,520,760
Preparatory Course of University	Government	1	43	461	185,137
Normal Schools	Government	6	166	3,758	1,464,709

University Education.—The Imperial University of Keijo was the only government university in the peninsula. It was opened in 1926, consisting of two departments, (1) medicine, and (2) law and literature. The preparatory course of two years attached to the university was opened two years earlier, or in 1924. The course was extended to three years as is the case with the government national colleges in Japan, beginning with the academic year of 1933-34. Both the organization and details of the university are almost the same as the Imperial Universities in Japan.

Normal School Education.—Normal school education is co-educational in principle. Qualifications of the applicant to the normal school are somewhat lower than is the case with Japan, while the course is a little longer. In April, 1929 simultaneously with a reform of the Education Act of Korea it was decided that the normal school should be conducted by the Government only for some time to come. In June of the same year two government normal schools were established one each in Taikyu and Heijo, and in March, 1931 the normal schools, which had hitherto been financed by provincial governments, were closed. In April, 1935 a normal school for girls was established in Keijo. As at the end of May, 1939 there were six normal schools.

Korean students studying in Japan on October 1, 1936 numbered 6,397. Of that number 4,770 were in Tokyo and 1,627 in the provinces. Most of those students consisted of those preparing themselves for admission into colleges and universities and of those studying economics and politics in the collegiate course of private universities and other institutions.

RELIGION

All religious faiths enjoy equal opportunity and protection from the Government, there being no state religion in Korea. The Confucian cult is spreading among the higher classes, and Buddhism among the lower. The latter, however, is not so prosperous as in Japan proper. Standing between the two, Christianity has gained a great vogue among all classes.

Table 10. State of Religious Propagation (End of 1936)

	Missions	Missionaries	Adherents
Christianity	4,752	3,195	489,626
Buddhist	667	720	285,640
Shinto	291	571	104,602

SANITATION

Judicature.—The Law Courts in Chosen consist of eleven district courts, three Courts of Appeal and one Supreme Court. There are thirteen prisons for adults and two for juveniles. The number of convicts and accused classified by sex is tabulated below:

Table 11. Number of Hospitals Physicians, etc. in Chosen

	No. of Hospitals								
	Government	Public	Private	Total	Physicians	Dentists	Pharmacists	Midwives	Nurses
1927	3	38	67	108	1,508	295	157	1,047	938
1935	4	46	86	136	2,368	732	386	1,869	1,873
1936	4	47	89	140	2,522	801	430	1,814	1,742
1937	4	49	98	151	2,906	837	472	1,772	1,971

Table 12. Number of Convicts and Accused

	No. of convicts		Criminal defendants		Detained		Infants under protection	
	Male	Female	Male	Female	Male	Female	Male	Female
1927	11,599	365	1,332	57	385	13	5	6
1932	15,279	395	2,491	83	565	51	8	5
1933	15,987	425	1,929	70	631	48	4	7
1934	15,219	465	1,584	81	542	48	9	15
1935	15,933	490	1,422	64	463	42	16	10
1936	16,032	491	1,554	56	368	39	5	12
1937	16,576	482	1,829	86	331	36	9	9
1937:								
Japanese	433	12	75	2	5	—	—	—
Chosenese	15,960	455	1,725	84	319	36	9	9
Foreigners	183	15	29	—	7	—	—	—
Total	16,576	482	1,829	86	331	36	9	9

GARRISON AND POLICE

The troops in the peninsula represents two Divisions, one being quartered at Ranan and the other at Ryusan near Keijo, besides the 6th air regiment established in 1922-23. Prior to the "independence" agitation the policing force consisted of gendarmes and police. With the reorganization of the administrative system in 1919 the gendarmes were mostly converted into police at their own option. The police forces consist of over 20,000 men, distributed among 254 police stations, 2,574 sub-stations and in border patrolling offices which numbered 197 at the end of 1938.

PUBLIC WORKS

Roads.—As soon as it was established, the Government-General laid out a complete system of roads consisting of 547 lines of various classes with a total length of 25,842 kilometres. The first term construction or improvement of the roads has been carried out since 1911 as a continuing work of six or seven-year-period with an outlay of ¥10,000,000. The second term work has been carried on from 1917 as a continuing work to be finished by 1938 with the total outlay of ¥31,119,000. In connexion with road-making, a number of bridges have been constructed. The total length of roads at the end of 1937 was 27,732 kilometers.

Rivers.—Almost all rivers were in a neglected condition before the annexation, the damage due to floods reaching over 10 million yen in some years. In 1915 the Government-General started investigation into the Rakutoko and thirteen other rivers for purposes of systematic control. As a result, a riparian work was started on the Bankei-ko and Sainei-ko, in 1925 as a six-year work and also on the Rakuto-ko, Daidoko and two other rivers in the following year as a ten year-work. The sum of ¥48,400,000 was estimated as an expenditure for the improvement of these six rivers. In 1929 the sum of ¥5,000,000 was added to the estimate by reason of the necessary extention of the scope of repair involved in the two rivers of the Bankei-ko and the Sanei-ko, but later the expenditure had to be reduced and the work had to be postponed. After all the expenditure was cut down to ¥49,973,000 and the first term of the work for the six rivers was expected to be completed in 1938-39.

Harbour Work.—Harbour works were commenced with Fusan, where all the terminal facilities for the Fusan-Seoul Railway have been completed. At Jinsen a spacious lockgate dock has been constructed to accommodate two ships of 4,500 gross tons and under, by taking advantage of the great tidal range (22-23 ft.) of the locality. The work of improvement at Gensan, Seishin, Joshin, Gunsan, Moppo, Tashota (first term work) and Yuki (first term work) Jinsen (extension), Chinnampo (extension) and Joshin (provision for storing timber), Seishin fishing port has been completed. A similar work is now in progress at Jinsen, Fusan, Reisui, Yuki, Masan, Joshin and Tashito.

BANKING AND OTHER FINANCIAL ORGANIZATIONS

As for organs for monetary circulation in Korea, there are first of all the Bank of Chosen (formerly called Bank of Korea) as the central bank, the Chosen Industrial Bank and the

Oriental Development Company, which both make it their principal business to make advances on real estate. Besides, there are many credit associations and "mujin" companies as petty organs of monetary circulation for the provincial people.

Bank of Chosen.—The Bank of Chosen was known as the Bank of Korea before the annexation. On the promulgation of the Bank of Chosen Act in March, 1911, the Bank of Korea was renamed the Bank of Chosen.

Chosen Industrial Bank (Chosen Shokusan Ginko).—The Chosen Industrial Bank was established in 1906 chiefly for the purpose of making advances on real estate to help promote the industry of the peninsula.

Chosen Savings Bank.—Savings deposits in Korea were handled by banks, credit associations and post offices till the Government-General issued the Savings Bank Regulations on December 24, 1928. The following year the Chosen Savings Bank was established in accordance with provisions of the Regulations. The Bank is capitalized at ¥5,000,000, of which ¥3,750,000 is paid-up. Its head office is situated in Seoul and branch offices at Fusan, Heijo and Jinsen.

Table 13. Principal Accounts of Bank of Chosen

Authorized Capital: ¥40,000,000
Paid-up Capital: ¥25,000,000
(Unit: ¥1,000)

Year Ending Mar. 31:	Reserves	Deposits	Loans	Bills discounted	Net profits	Dividends
1929	2,101	151,150	290,462	24,260	1,865	900
1930	2,901	98,785	248,758	17,796	1,828	940
1931	3,701	111,462	273,673	23,726	1,835	940
1932	4,501	193,932	303,785	33,683	1,849	940
1933	5,301	215,105	322,950	31,558	1,853	940
1934	6,101	228,193	373,171	47,363	1,847	940
1935	6,901	292,122	374,248	48,566	1,859	940
1936	7,701	411,142	414,653	69,696	1,872	940
1937	8,501	293,944	432,895	72,907	1,866	940

Ordinary Banks.—An ordinary bank was established in Korea for the first time in 1878 when a branch office of the First Bank (Daiichi Ginko) was set up at Fusan. This was soon followed by the creation of similar agencies at various treaty ports by the same bank and other Japanese banks such as the Juhachi, Gojuhachi, etc. In 1889 the Dai Kan Tenichi Ginko was established as the first banking institution formed by Korean capitalists, and in 1903 another Korean bank (Kanjo Ginko) was brought into being. All these banks on the whole made sound developments with extended sphere of operation under the Banking Regulations enacted in 1912 (revised in 1920), amended in 1928 and has been in force since January 1, 1929). In 1938 there were nine ordinary banks in Chosen with a combined paid-up capital of ¥13,181,000.

Trust Companies.—Trust business was introduced into Korea in March, 1908 by the Fujimoto Goshi Kaisha. In the war boom of 1919 many trust companies were established in the peninsula. At present there is one trust company in Korea, namely, the Chosen Trust Company.

Bankers' Clearing House.—The first bankers' clearing house in Korea was established in Seoul in July, 1909. In 1939 there were similar institutions in nine other places i.e. Jinsen, Fusan, Keijo, Gensan, Taikyu, Moppo, Gunzan, Chinnampo and Seishin.

Credit Association.—The credit association makes it its business to make loans to its members, to keep in custody industrial products, to issue warehouse receipts for them, to receive deposits from either the members or non-members, and to act as agents, with the sanction of the Governor-General, for other credit associations or banking establishments. For a village association there is, besides, a Government grant as stock fund of not more than ¥1,000. City associations operating in urban districts are allowed to engage in bill-discounting business. At the end of June, 1939 there were 62 city associations and 657 village associations with a total membership of 1,662,766 and with total paid-up capital of ¥13,273,000 and reserves of ¥25,951,000.

Mutual Loan Companies (Mujin Kaisha)—"Mujin" business in Korea has made marked developments since the promulgation of the Chosen Mujin Business Act in April, 1921. In 1931 the legislation was amended in order to keep abreast of the times. At the end of July, 1939 there were 20 mutual loan concerns, with the total paid-up capital of ¥3,680,000.

Table 14. Principal Accounts of Ordinary Banks in Chosen

Year Ending Mar. 31:	No. of Banks	Capital: Nominal capital	Capital: Paid-up capital	Reserves	Deposits	Loans	Bills discounted	Net profits	Dividend
1930	13	26,425	14,721	3,457	109,566	90,545	13,802	1,387	731
1931	12	26,425	14,721	3,513	106,863	92,876	12,833	1,194	609
1932	12	26,425	14,721	3,793	112,793	83,727	16,207	1,183	575
1933	8	26,075	14,371	3,717	128,144	99,126	16,879	1,412	487
1934	8	25,675	14,231	4,029	144,547	115,925	23,927	1,131	490
1935	7	24,175	13,481	4,006	159,349	131,152	26,400	1,597	452
1936	7	24,175	13,481	4,419	158,454	148,771	26,213	1,585	471
1937	7	24,175	13,981	4,880	172,749	158,818	30,928	1,360	

FOREIGN TRADE

Thanks to various measures taken by the Government-General for the promotion of industry and the growth of private enterprises since the annexation, the foreign trade of Chosen has gradually developed. Its pace of development since the World War is especially remarkable.

Chosen trades extensively with many countries of the world but with none more closely than with Japan proper as shown in the accompanying table. Principal foreign destinations of her goods are Manchoukuo, Kwantung Province, the United States of America and China, and principal countries sending goods are Manchoukuo, China, Kwantung Province, the United States, British India, the Philippines, and the Dutch East Indies.

Trade By Ports.—There are twelve trading ports in Korea. These are Fusan, Jinsen, Gensan, Chinnanpo, Gunsan, Moppo, Seishin, Rashin, Yuki, Joshin, Ryuganpo and Shingishu. Fusan ranks first in the amount of trade handled, followed by Jinsen, the former chiefly handling trade with Japan and the latter that with Kwantung Province, China, Europe and America. As for the specialities of these ports, exports are chiefly handled by such ports as Chinnanpo, Gunsan, Shingishu, Moppo, Seishin and imports by Shingishu, Chinnanpo, Seishin, Gensan and Keijo.

Table 15. Chosen's Foreign Trade
(Unit: ¥1,000)

	To and from foreign countries				To and from Japan proper and other colonies			
	Exports	Imports	Total	Excess of imports	Exports	Imports	Total	Excess of imports
1929	35,773	107,768	143,541	71,995	309,891	315,326	625,217	5,435
1930	25,852	88,855	114,707	63,002	240,695	278,194	518,889	37,499
1931	12,772	52,696	65,468	39,924	249,727	217,770	466,797	–31,256
1932	29,210	61,686	90,896	32,476	282,144	258,670	540,814	–23,474
1933	52,773	64,368	117,142	11,595	315,854	339,817	655,672	23,963
1934	57,674	79,528	136,201	21,853	407,694	439,623	847,316	31,929
1935	64,902	100,590	165,492	35,687	485,894	558,814	1,044,708	72,920
1936	75,266	114,499	189,764	39,233	518,047	647,918	1,165,965	129,871
1937	113,098	128,139	241,237	15,041	572,445	735,414	1,307,859	162,968
1938	169,067	134,583	303,650	–24,484	710,540	921,346	1,631,886	710,806

Table 16. Imports and Exports of Gold Specie and Bullion
(Unit: ¥1,000)

	To and from foreign countries				To and from Japan proper rnd other colonies			
	Imports	Exports	Total	Exports Excess	Exports	Imports	Total	Exports Excess
1929	—	246	246	246	6,097	640	6,737	5,457
1930	2	11,594	11,597	11,592	26,801	137	26,938	26,664
1931	22	21,904	21,926	21,881	39,525	53	39,579	39,472
1932	30	754	784	723	28,285	9,851	38,136	18,434
1933	20	41	61	21	24,375	3,807	28,182	20,568
1934	19	67	85	48	36,331	335	36,667	35,992
1935	11	69,371	69,382	69,259	210,582	3,847	214,429	206,735
1936	2,108	7,221	9,329	5,113	63,466	823	64,289	62,643
" *	733	3,423	4,156	2,689	23,359	775	24,134	22,584
1937*	0	685	685	685	40,159	6,857	47,015	33,302

Note: * January to June.

Table 17. Staple Exports

(¥1,000)

To Japan Proper and Other Colonies

Items	1932	1933	1934	1935	1936	1937	1938
Rice & paddy	144,796	152,693	222,289	240,434	249,426	231,090	302,053
Soya beans	20,484	19,260	18,142	17,401	23,460	23,343	22,111
Fresh fish	4,649	5,269	5,316	5,202	4,173	5,671	6,818
Dried fish	4,336	4,247	5,543	4,453	3,440	3,619	5,159
Apples	1,288	1,609	1,996	1,624	2,169	2,534	2,355
Ginned cotton	3,504	6,487	8,137	13,471	11,457	8,266	7,993
Raw silk	11,666	14,009	11,473	14,189	15,420	18,962	15,831
Cocoon	1,267	1,762	784	1,179	1,390	1,434	960
Wild silk yarn	7,763	9,175	6,542	5,714	4,431	6,229	6,646
Cotton fabrics	605	734	913	1,187	1,218	4,920	4,319
Coal	3,841	4,549	6,003	6,460	6,259	6,794	11,791
Black lead	634	957	1,228	2,068	1,999	2,006	3,233
Iron ore	1,081	1,907	985	4,229	1,104	2,140	2,562
Pig iron and Steel ingot	9,178	5,085	7,325	12,313	9,621	...	...
Cows	3,238	4,237	4,113	4,617	4,279	4,553	6,981
Cement	427	387	118	2,797	4,770	2,343	1,915
Paper	2,572	3,726	3,922	3,284	3,464	3,660	5,443
Timber	1,024	696	1,145	2,506	1,744	2,161	1,899
Fish oils	1,207	1,177	1,183	5,454	8,176	7,755	....
Fertilizer	18,433	18,749	25,188	32,004	38,390	37,676	....
Total incl. others	282,144	315,854	407,693	485,893	518,047	522,445	....

To Foreign Countries

Item	1932	1933	1934	1935	1936	1937	1938
Rice & paddy	540	2,013	1,977	3,649	1,527	1,382	1,015
Fresh fish	822	978	1,156	941	948	1,180	1,924
Dried fish	233	296	376	448	488	544	1,068
Refined sugar	2,350	2,292	2,521	3,143	4,017	4,467	3,802
Apple	413	939	487	838	765	469	1,778
Hide	107	73	108	215	313	645	509
Ginseng	23	187	1,144	1,056	1,821	700	640
Cotton yarn	1,242	974	1,330	559	654	1,560	667
Cotton fabrics	5,901	5,470	5,584	3,531	6,322	18,182	27,866
Rayon fabrics	...	...	...	1,080	3,132	9,452	4,949
Iron	912	3,061	4,486	5,939	3,955	...	...
Cement	168	1,203	1,702	942	1,145	885	3,282
Timber	1,614	5,059	6,185	5,615	4,703	7,228	3,423
Fertilizers	51	3,857	68	148	2,036	229	331
Re-exports	1,300	798	1,138	1,733	2,055	5,701	2,213
Total incl. others	29,209	52,773	57,673	64,902	75,265	113,097	169,066

Table 18. Staple Imports

(¥1,000)

From Japan Proper and Other Colonies

Items	1932	1933	1934	1935	1936	1937	1938
Rice & paddy	1,528	1,512	3,062	7,021	4,998	4,910	2,109
Flour	3,766	3,983	5,403	10,949	7,828	5,934	5,979
Wheat	220	232	966	1,948	2,873	364	1,827
Sugar	7,426	4,272	5,066	5,949	5,824	6,333	9,706
Saké	1,160	1,118	1,513	1,656	1,974	1,983	2,669
Beer	1,730	2,110	1,542	857	803	945	971
Ginned & whipped cotton	6,488	8,553	11,804	16,237	24,317	33,905	4,554
Cotton yarn	5,884	5,993	9,490	9,621	5,737	3,827	1,775
Jeans	1,899	2,881	2,029	1,304	1,003	1,249	449
Woolen tissues	5,863	8,164	9,608	10,235	12,600	11,841	14,742
Silk tissues	3,327	18,440	24,950	31,993	36,564	40,825	75,102
Gunny bags	645	1,100	1,143	1,212	1,395	2,053	2,781
Paper	6,547	7,562	8,796	11,896	13,426	16,866	21,988
Timber	2,063	4,530	7,756	9,128	12,113	14,217	21,536
Fertilizers	4,878	7,745	14,239	17,226	28,256	21,297	29,153
Crude rubber	1,032	2,049	4,370	5,428	4,682	6,583	599

Items	1932	1933	1934	1935	1933	1937	1938
Iron & steel	14,285	20,148	26,813	39,561	44,691	...	...
Coal	4,084	5,504	6,193	8,007	10,119	12,057	20,420
Cement	2,360	3,348	5,472	4,916	7,400	4,917	2,523
Watch, clock, scientific machines, arms, and parts thereof	4,667	6,389	7,471	9,537	11,362	14,916	13,595
Vehicles, vessels, and parts thereof	6,386	11,753	15,811	21,420	26,748	29,829	35,321
Other Machineries	8,273	11,762	16,728	31,368	40,862	54,520	79,731
Total incl. others	258,670	339,817	439,622	558,813	647,918	735,413	921,346

From Foreign Countries

Items	1932	1933	1934	1935	1936	1937	1938
Millet	16,025	12,874	15,736	19,623	22,457	14,111	13,534
Soya bean	1,814	2,736	3,469	2,610	6,086	11,769	5,404
Refined Sugar	218	1,579	1,248	1,632	3,221	3,561	795
Salt	2,091	2,713	2,423	2,501	1,971	2,339	2,931
Leaf tobacco	980	310	3,070	4,563	2,871	3,445	1,475
Crude oil and heavy oil	1,444	1,979	2,396	4,801	10,484	...	...
Volatile oil	1,891	2,497	2,388	3,624	2,201	...	...
Fuel oil	4,036	1,174	1,576	1,475	746	...	...
Pongee yarn	7,944	9,412	6,679	3,563	4,468	6,618	5,721
Chinese linen	1,204	1,147	1,776	1,510	1,472	1,859	0
Coal	3,788	5,231	6,973	6,589	7,110	8,278	10,825
Iron and steel	364	329	1,437	2,822	1,734	...	...
Fertilizers	2,915	3,709	6,255	8,936	13,134	7,032	9,502
Sewing machine	223	343	1,197	2,597	2,938	3,587	1
Timber	2,033	1,605	2,044	3,739	3,457	3,828	3,526
Re-imports	1,400	2,249	2,421	2,535	2,093	4,225	3,011
Total incl. others	61,685	64,368	79,527	100,589	114,499	128,138	134,582

Table 19. Imports and Exports By Countries

(¥1,000)

	Exports							
Asia:	1931	1932	1933	1934	1935	1936	1937	1938
China	12,086	947	1,598	2,007	3,312	3,702	4,842	22,155
Manchoukuo	—	22,867	40,588	48,358	50,034	55,533	71,527	122,003
Hongkong	21	108	394	543	499	601	656	73
British India	8	20	115	110	343	388	750	429
Straits Settlement.	155	114	222	289	223	244	414	131
D.E.I.	64	48	103	215	200	265	1,021	477
French Indo-China.	33	4	4	20	29	38	11	7
Asiatic Russia	22	67	79	3	587	33	2	1
Total incl. others.	12,487	28,601	48,104	56,839	63,494	71,308	101,138	164,673
Europe:								
Great Britain	3	2	11	3	197	197	343	156
Germany	4	3	810	2	11	10	2,261	1,062
Total incl. others.	11	7	743	35	328	292	2,869	1,340
American Countries:								
U. S. A.	121	406	2,764	312	546	993	1,474	1,280
Canada	1	1	1	0	1	11	96	256
Total incl. others.	123	408	2,747	313	575	1,599	2,068	1,617
*Grand total including others.	12,771	29,209	52,773	57,673	64,902	75,265	113,097	169,066

	Imports							
Asia:	1931	1932	1933	1934	1935	1936	1937	1938
China	39,509	3,772	5,858	7,796	16,448	15,148	10,367	12,217
Manchoukuo	—	39,723	40,765	46,681	49,016	59,402	62,227	58,050
Hongkong	21	8	17	31	7	6	14	6
British India	357	220	763	2,619	565	208	255	10,788
Straits Settlement.	184	259	127	75	1,724	1,313	1,523	3,480
D.E.I.	1,487	616	2,137	1,431	3,511	9,726	8,277	4,269
French Indo-China.	25	197		70	60	437	206	412
Asiatic Russia	252	1,020	1,144	113	538	335	7	10
Total incl. others.	42,089	48,940	55,102	64,756	79,205	94,519	93,699	103,449

(Continued)

	Imports							
Europe:	1931	1932	1933	1934	1935	1936	1937	1938
Great Britain ...	1,313	1,545	988	975	3,309	5,457	5,457	1,071
Germany	1,312	819	423	380	336	1,941	1,973	1,888
Total incl. others.	2,892	2,670	1,529	1,558	4,104	7,134	7,905	4,343
American Countries:								
U. S. A.	4,550	5,079	2,195	5,083	7,547	9,151	21,311	17,775
Canada	32	56	484	724	472	526	76	109
Total incl. others.	4,627	5,162	2,713	6,192	8,373	10,632	22,658	21,546
*Grand Total including others.	52,695	61,635	64,368	79,527	100,589	114,499	128,138	134,582

Note: * Including bonded manufacturing warehouse.

Table 20. Entrance of Ships in Chosen Ports

	Steamers				Sailing vessels			
	Foreign		Japanese		Foreign		Japanese	
	No. of ships	Tonnage (1,000 tons)	No. of ships	Tonnage (1,000 tons)	No. of ships	Tonnage (1,000 tons)	No. of ships	Tonnage (1,000 tons)
1935	1,365	1,519	14,800	12,942	21,246	120	10,377	269
1936	1,348	1,649	15,722	13,624	17,681	123	10,296	320
1937	1,289	1,729	14,231	13,009	14,015	119	10,659	357
1938	1,422	1,937	11,640	12,230	14,384	123	11,891	387
1938 1st half ..	625	880	6,129	6,321	6,213	45	5,745	182
1939 1st half ..	704	957	5,446	5,789	5,352	47	6,735	219

MONOPOLY

Ginseng.—Ginseng, a medical root highly valued by Chinese and Koreans, is famous for its quality throughout the world, and the greater part of the manufactured product is exported to China. Owing, however, to the spread of ginseng disease and the ravages of thieves, this industry was almost ruined for a time. In 1908, therefore, a special Government office was established, where various curative and preventive measures were studied with great care and efforts, and strict control over them was exercised. On the other hand, cultivators' associations were organized with a view to promoting the common interest, and these associations, supported by Government measures, lent impetus to the improvement of this industry. The output of ginseng in 1937 was 1,084,000 kin, valued at ¥2,995,000.

Salt.—Korea is suitable for salt manufacture by natural process. In 1907, however, from the financial and economic point of view experiments were made in the manufacture of salt by spontaneous evaporation at Shuan in Keikido. The result turned out to be very successful and the quality of the products was as good as the first or second class salt produced in Japan proper. Thereupon the construction of salt fields at Koryo Bay and Tokudo in Heian-nando was commenced in 1908, the area being 1,205 cho or 1,195 hectares. The area of salt fields in 1936 was 6,168 hectares. Salt production in 1937 was 281,690 metric tons.

Table 21. Statistics on Salt

	Area of Salt-fields (Hectares)	Production (M. tons)	Import (M. tons)
1928	4,582	186,954	148,440
1929	4,511	228,478	137,267
1930	4,339	178,295	122,203
1931	4,471	181,194	192,433
1932	4,428	253,988	185,050
1933	4,564	242,108	186,850
1934	4,573	183,667	169,887
1935	4,670	320,996	183,099
1936	6,168	216,513	155,158
1937	6,246	281,690	119,176

Tobacco.—The manufacture of tobacco was undertaken exclusively by the Government-General under the Chosen Tobacco Monopoly Ordinance promulgated in April, 1921. Exceptions were made, however, with respect to the cultivation of tobacco for personal use, the private manufacture and sale of cut tobacco and the sale of leaf tobacco by the Government, etc.

The supply of the Government manufactured cut tobacco which was received in 1923 with favour by the consumer and the improvement in economic conditions of the people rendered the above exceptions unnecessary. Thus, the sale of leaf tobacco by the Government-General was discontinued in January, 1927, and the cultivation of tobacco for personal use and the private manufacture of cut tobacco were abolished at the end f 1929. The area under tobacco and the production in recent years are as follows:—

Table 22. Area Under Tobacco and Production

	Area under cultivation (Cho)	Production	
		(Kgs.)	Value (¥1,000)
1928	21,870	20,860	7,278
1929	19,613	24,525	6,814
1930	14,229	15,101	4,592
1931	15,233	16,441	4,802
1932	13,637	19,912	5,858
1933	13,558	16,554	4,862
1934	14,693	15,404	5,222
1935	16,367	21,921	7,349
1936	17,533	20,626	6,242
1937	18,672	26,689	11,113

Opium.—After the annexation of the peninsula the Government-General frequently issued ordinances regulating opium, setting limits to the area under poppies, receiving manufactured opium and selling it to pharmaceutists specially authorized by the Government. These measures resulted in the eradication of the evils of opium smoking, but there were many persons poisoned by morphine throughout the country. In order to root out the evils, the Government-General entered the names of smokers on a register and gave them medical treatment, while at the same time it gave an authority to control the receiving of opium and the manufacture and sale of morphine to the Monopoly Bureau which commenced the work from March, 1930. The output of opium for medical use in 1937 was 59,710 grams and sales of morphine and opiums amounted to 108,430 grams valued at ¥47,786.

VALUE OF OUTPUT FROM INDUSTRIES

Agriculture is still the principal industry of Chosen. About 75 per cent. of the population eke their living from farming. The value of agricultural production in 1937 was over 1,303 million yen as contrasted with 959 million yen in the manufacturing industries which showed the largest rate of increase and roughly 188 million yen in aquatic enterprise. Great progress has been witnessed in mining and the value of output has increased from 21 million yen in 1931 to 150 million yen in 1937.

Table 23. Industrial Production in Chosen

(Unit: ¥1,000)

	Agriculture	Cocoon	Pastoral	Forestry	Fishery		Mining	Mfg. Ind.
					Catch	Products		
1929	681,399	22,538	....	74,438	65,338	44,816	26,488	327,007
1932	607,330	10,742	33,096	55,069	46,264	27,384	33,747	320,869
1933	647,260	21,865	38,033	94,330	51,378	35,589	48,301	368,633
1934	746,333	10,028	40,765	106,031	57,778	45,533	69,173	446,124
1935	925,264	16,038	46,488	114,005	65,967	65,014	88,039	607,496
1936	1,208,911	19,029	57,787	118,065	79,879	79,377	110,430	730,807
1937	1,303,016	22,177	69,955	138,709	89,920	93,447	150,000*	959,308

Note: * Estimate.

AGRICULTURE

All parts of Korea are suitable for agriculture. The growth of farm crops is especially satisfactory in the southern part of the peninsula which is marked by genial climate. The aridity of climate all the year round especially redounds to the development of agriculture. Rice plants in paddy fields have often suffered from drought for insufficient supply of water. But, this state of things has been gradually improved by the growing development of irrigation facilities. Rice is the most staple farm product, followed by barley, Italian millet, soya-beans, wheat and red beans. There are also such special products as cotton, tobacco, hemp, and ginseng. The cultivation of fruit trees has of late produced very good results and the area of plantations is gradually expanding. Sericulture which had hitherto been in a very poor condition, is now, in consequence of official encouragement, being carried on everywhere. Both are conducted as subsidiary industries by the agricultural community. Livestock is also raised as by-product of agriculture, and cattle, goats and pigs are found everywhere in the country. The cattle are well known for their great size and good quality, and a large number of them are yearly exported to Japan proper and formerly to Asiatic Russia.

According to the official returns, the arable land under cultivation in 1937 was 4,427,169 cho.

Table 24. Farming Household and Arable Land Under Cultivation

(In Cho)

	No. of Farming household	Paddy: One crop	Paddy: Two crops	Paddy: Total	Upland	Total
1929	2,815,277	1,264,182	344,706	1,608,888	2,783,228	4,392,116
1930	2,869,957	1,261,775	355,921	1,617,696	2,770,968	4,388,664
1931	2,881,689	1,263,045	365,939	1,628,984	2,755,526	4,384,510
1932	2,931,088	1,263,945	383,064	1,647,009	2,743,434	4,390,443
1933	3,009,560	1,265,482	394,773	1,660,285	2,751,549	4,411,804
1934	3,013,104	1,258,462	412,927	1,671,389	2,760,094	4,431,483
1935	3,066,489	1,248,581	432,759	1,681,340	2,750,939	4,432,279
1936	3,059,503	1,240,266	449,520	1,689,786	2,736,983	4,426,770
1937	3,058,755	1,241,693	462,142	1,703,835	2,723,334	4,427,169

As for cotton, with the exception of Kankyo Hokudo and a portion of Kankyo Nando, all parts of Korea are well suited for cotton cultivation. Since 1906 the authorities have encouraged the cultivation of the American upland variety with considerable success. The area under cotton crops, which stood at 192,873 cho in 1930, increased to 223,171 cho at the end of 1937. The authorities have been encouraging the cultivation of native species in the four provinces of Keiki, Kokai, Heian Nando and Heian Hokudo and a portion of Keisho Hokudo which are not suited for the cultivation of upland variety.

Table 25. Demand and Supply of Rice

(Unit: 1,000 Koku)

	*Production	Imports	Balance from previous year	Total supply	Exports: Abroad	Exports: Japan	Exports: Total	Consumption
1930	13,702	585	...	14,287	7	5,426	5,433	8,584
1931	19,181	67	322	19,569	3	8,409	8,412	10,537
1932	15,873	106	620	16,598	16	7,570	7,586	8,392
1933	16,346	111	620	17,077	102	7,972	8,074	8,508
1934	18,346	124	495	18,811	65	9,426	9,501	8,710
1935	18,193	293	601	16,510	145	8,857	9,001	8,134
1936	16,717	157	476	17,077	102	7,972	8,074	8,508
1937	17,885	200	495	20,106	40	7,162	7,202	12,579
1938	19,411	44	325	27,166	294	10,703	10,997	15,784
1939	26,797	...	386	...	...	...	...	...

Note: * Represents production of the year, as rice produced in each year is generally consumed during the following year.

Table 26. Output of Staple Crops

(Quantity in 1,000 Koku: Value in Million yen)

	Rice: Qty.	Rice: Val.	Barley: Qty.	Barley: Val.	Wheat: Qty.	Wheat: Val.	Oat: Qty.	Oat: Val.	Rye: Qty.	Rye: Val.	Millet: Qty.	Millet: Val.
1931	15,873	369	7,812	35	1,729	11	666	4.8	947	2.3	4,590	31
1932	16,346	309	8,004	42	1,778	16	837	7.0	896	2.0	5,539	44
1933	18,193	342	7,585	48	1,762	18	1,023	10.1	485	2.6	5,145	40
1934	16,717	416	7,994	55	1,838	19	1,285	14.6	453	2.6	3,772	42
1935	17,885	490	8,752	73	1,933	25	1,627	21,2	419	2.6	4,861	58
1936	19,411	540	6,814	65	1,605	25	1,963	26.3	515	3.3	5,065	62
1937	26,797	777	9,795	95	2,031	32	2,772	37.8	567	3.6	5,840	70

Table 27. Other Minor Crops

	Soya Beans (1,000 koku)	Soya Beans Val.	Red Beans (1,000 koku)	Red Beans Val.	Sweet Potatoes (1,000 kwan)	Sweet Potatoes Val.	Potatoes (1,000 kwan)	Potatoes Val.	Burdock (1,000 kwan)	Burdock Val.
1931	4,132	32	863	8.1	34,405	6.2	119	10.5	148,053	10.2
1932	4,410	46	877	11.3	35,686	6.0	184	15.8	154,195	10.9
1933	4,556	44	915	11.4	43,285	5.8	150	13.6	156,865	12.1
1934	3,812	45	873	11.7	44,367	6.1	114	13.1	160,706	11.9
1935	4,375	60	934	14.3	56,543	8.5	161	19.8	163,720	13.7
1936	3,784	63	759	15.0	53,118	8.3	195	23.8	142,215	13.9
1937	4,263	69	890	16.4	66,906	9.4	214	24.8	161,416	14.1

Table 28. Principal Industrial Crops

(Value in ¥1,000)

	Cotton: Upland (Mill. kin)	Cotton: Upland Val.	Cotton: Native (Mill. kin)	Cotton: Native Val.	Hemp (1,000 kwan)	Hemp Val.	Ramie (1,000 kwan)	Ramie Val.
1931	79	4,977	37	4,200	5,238	4,879	..	..
1932	112	15,230	42	5,140	5,275	5,163	..	..
1933	114	14,478	45	5,389	5,267	5,389	58	8
1934	121	20,558	34	5,160	4,828	5,503	168	21
1935	170	29,126	44	7,190	5,075	6,218	..	..
1936	89	15,043	48	7,454	4,795	6,456	334	31
1937	200	26,957	40	5,162	4,810	6,806	..	128

	Tobacco (1,000 kwan)	Tobacco Val.	Ginseng (1,000 kin)	Ginseng Val.	Perilla (1,000 koku)	Perilla Val.	Sesame (1,000 koku)	Sesame Val.
1931	4,384	4,802	882	1,950	52	569	37	676
1932	5,310	5,858	986	2,268	54	707	38	769
1933	4,414	4,862	731	1,983	55	732	39	799
1934	4,108	5,222	936	2,158	50	729	37	862
1935	5,846	7,349	1,017	2,639	59	934	39	960
1936	5,659	6,241	1,125	2,767	47	853	35	957
1937	7,117	11,113	1,084	2,995	49	953	39	1,101

Sericulture.—The climate of Korea is suitable for sericulture owing to the scarcity of rainfall in the rearing season. A subsidy has been yearly granted to the industry to the amount of ¥46,290, commencing 1937. The cocoon crop is swiftly increasing.

With the recent development of sericulture, the time-honoured method of hand-reeling is being fast replaced by machine-reeling. In consequence, the output of high grade silk for export is increasing.

In August, 1935 the Government-General promulgated the Korean Silk Reeling Industry Act with the object of strengthening the control and direction of the industry, thereby promoting it as far as possible.

Table 29. Statistics of Cocooning

	Rearing family: Spring crop	Rearing family: Summer crop	Cocoon output (M. tons): Spring crop	Cocoon output (M. tons): Summer crop	Cocoon output (M. tons): Total	Output of raw silk (M. tons.)
1934	839,314	558,222	15,882	7,107	22,989	2,126
1935	821,573	576,470	14,697	6,622	21,319	1,909
1936	826,109	588,221	14,883	7,688	22,572	1,885
1937	815,278	623,522	14,760	7,779	22,538	1,910

Stock-farming.—Cattle reared in Kankyo-do, Northern Korea are noted for strong build and perfect flesh development. Every house there keeps a head or two, and as the region is well suited for pasture, the preserved meat business in Northern Korea has a great future. The number of cattle, which was only about 700,000 at the time of the inauguration of the Government-General, was up to 1,713,000 in 1937. A considerable number of cattle are exported to Japan proper.

Table 30. Number of Cattle, Horses, etc.

(Unit: 1,000 heads)

	Cattle	Horse	Swine	Sheep	Goat	Fowls
1930	1,612	55.5	1,387	1.6	13.8	6,146
1931	1,637	54.1	1,348	1.6	25.6	6,295
1932	1,664	53.9	913	2.2	27.4	6,601
1933	1,663	52.9	977	2.7	28.7	6,868
1934	1,671	53.8	1,584	5.5	31.2	7,179
1935	1,679	52.6	1,616	9.4	34.4	7,117
1936	1,703	51.6	1,574	12.1	39.5	7,118
1937	1,713	50.9	1,625	20.0	43.0	7,221

FISHERIES

Bounded by sea on three sides, Korea has a coast-line extending over 9,000 nautical miles, and is rich in fish, shell-fish and sea-weeds. Mackerels, sardines, Alaska pollacks, Sciaena Sp., herrings, sea-breams, cod, yellow tails, whales, and ear-shells are the principal catches. The encouragement by the Government-General and the improved methods introduced have brought about the rapid development of the industry of late. The recent situation of the business is as follows:—

The coast from the River Tumen downwards is noted for Myngtai, Alaska pollacks, and cod fishing, the western sea for the Guchi, Sciaena Sp. fishing and the southern sea near Fusan for cod, herrings, etc.

Table 31. Statistics of Fishery in Chosen

(Unit: ¥1,000)

	Fishing household	Catch					Aquatic culture	Manu-factures
		Fish	Shell	Weeds	Others	Total		
1933	146,362	....	....	....	....	51,378	2,904	35,589
1934	155,461	49,408	2,042	2,377	3,951	57,778	2,846	45,533
1935	159,750	56,541	2,984	2,717	4,624	65,967	2,902	65,014
1936	167,329	70,137	1,806	3,044	4,891	79,879	4,747	79,377
1937	174,856	80,203	2,004	2,697	5,017	89,920	4,586	93,447

MINING

Despite rich mineral resources and its very old origin, the mining industry of Korea had long remained quite insignificant. In July, 1906 the Government of Kankoku, as Chosen was then called, promulgated the Mining Law and Regulation for placer mining. Then in 1915 after the annexation the Government-General instituted the Chosen Mining Act and in April the following year put in force regulations for the enforcement of the Chosen Mining Act and Regulations for the Chosen Mining Registration. This Act was intended to accelerate the development of the mining industry by stabilizing the security of mining rights. Later the act was amended more than once with the resultant promulgation of the legislation concerned.

General Survey of Mining Industry.—In the first year of Taisho, or 1912 the number of applications for mining operations was 633. The number of mining lots for which permission had been given, as at the end of 1937 was 7,454. The output of minerals for 1936 was valued at ¥110,429,655, showing an increase of over five folds as compared with that for 1931.

Table 32. Number of Mining Lots and Mine Output

	No. of mining lots		Production (Yen)
	Total	Of which worked	
1930	2,262	456	24,654,463
1931	2,390	497	21,741,519
1932	2,719	939	33,746,958
1933	3,343	1,471	48,301,468
1934	4,454	2,262	69,172,840
1935	5,596	3,368	88,039,201
1936	6,513	3,902	110,429,655
1937	7,454	....	....

PRINCIPAL MINERALS

Gold.—The output of gold in 1936 was 17,490 kilograms valued at ¥59,353,700. Progress in gold mining has been spectacular due to the advance in the price of this metal, and the volume of output has practically tripled in the seven years from 1930 to 1936.

Iron.—Owing to the prosperity of the heavy industry and the accompanying great increase in the demand for iron, the Kenji-ho Iron Foundry, the only iron plant in the peninsula, was in full swing increasing iron output and manufacturing steel. Pig-iron production for 1936 was 155,500 metric tons. The output of steel was 87,000 metric tons.

Graphite.—Market for scaly graphite, which had long been under the harrow of depression due to pressure brought to bear on it by the Ceylon description, had more or less revived since 1933. The output of the metal for 1936 was 40,914 metric tons.

Not only is the black-lead of Chosen superior in quality but the richness of the deposits is of world-wide character. So this mining may be said to hold out bright prospect.

Coal.—Partly because of the industrial activity in Japan and partly because of the activity of various industries in the peninsula, the demand for coal has appreciably increased. Coal production for 1936 was 2,282,000 metric tons.

Table 33. Output Value and Volume of Principal Minerals

	Gold & Alluvial Gold		Silver		Gold & Silver Ore		Copper Ore	
	Kgs.	¥1,000	Kgs.	¥1,000	M. tons	¥1,000	M. tons	¥1,000
1930	6,186.5	6,618.7	2,101.1	58.2	13,411	1,070.4	5,647	45.9
1931	9,031.1	9,584.0	11,404.0	206.6	12,858	553.5	6,156	35.5
1932	9,700.7	19,633.2	18,351.3	552.7	10,401	944.3	6,543	33.8
1933	11,508.2	26,066.8	21,864.6	721.7	21,683	1,906.4	5,914	42.0
1934	12,427.6	38,538.3	31,287.2	1,468.7	27,968	2,511.5	—	—
1935	14,710.3	45,457.7	39,345.5	2,558.1	58,146	6,503.0	1,627	10.1
1936	17,490.0	59,353.7	58,820.9	2,830.1	79,029	9,373.6	2,590	58.1

(Continued)	Copper		Iron ore		Pig Iron		Steel	
	M. tons	¥1,000	1,000 m. tons	¥1,000	1,000 m. tons	¥1,000	1,000 m. tons	¥1,000
1930	589.3	1,398.2	532.5	2,808.2	151.4	5,923.1	—	—
1931	698.4	224.9	164.7	824.1	147.9	4,588.9	—	—
1932	694.0	307.0	151.4	749.3	163.7	4,114.0	—	—
1933	784.8	417.4	258.3	1,287.8	163.9	5,605.7	—	—
1934	1,434.4	933.0	176.0	879.8	175.5	7,722.1	59.7	4,178.9
1935	2,169.5	1,535.8	228.2	1,279.3	147.8	7,332.3	97.4	6,764.1
1936	3,636.6	3,272.9	234.4	1,429.8	155.5	7,866.6	87.0	6,533.0

(Continued)	Lead		Silica		Sulphide Iron Ore		Tungsten Ore	
	M. tons	¥1,000	M. tons	¥1,000	M. tons	¥1,000	Kgs.	¥1,000
1930	129.7	49.9	47,346	42.5	0	0.3	11.6	6.2
1931	97.2	5.8	40,659	39.0	0	0.3	16.1	7.2
1932	492.8	64.4	43,856	55.3	7,130	44.0	57.1	29.8
1933	783.5	120.8	68,818	96.5	14,518	75.6	152.5	117.2
1934	1,805.7	306.3	72,279	110.6	40,024	243.1	360.3	734.2
1935	1,728.1	388.8	38,692	68.2	55,611	308.0	875.7	1,389.0
1936	2,737.9	794.0	50,955	89.4	78,036	520.7	1,707.0	2,293.8

(Continued)	Arsenic Acid		Coal		Graphite		Fluor-spar	
	M. tons	¥1,000	1,000 M. tons	¥1,000	M. tons	¥1,000	M. tons	¥1,000
1930	—	—	884.1	5,328.0	20,073.5	423.3	2,297	11.5
1931	—	—	936.4	5,190.1	14,049.7	232.0	2,648	11.9
1932	—	—	1,104.2	5,970.1	16,813.6	255.8	7,577	94.7
1933	152.7	15.8	1,306.7	7,205.4	22,677.0	465.7	9,076	122.6
1934	332.0	32.0	1,688.6	9,940.6	31,294.0	524.8	12,099	131.1
1935	373.0	46.7	1,999.2	11,925.1	45,118.0	1,207.6	9,722	116.4
1936	230.1	26.3	2,282.0	13,301.0	40,914.0	1,010.8	8,740	107.1

(Continued)	Magnesite		Barytes		Alum Stone		Molybdenite		Total value incl. others (¥1,000)
	M. tons	¥1,000	M. tons	¥1,000	M. tons	¥1,000	M. tons	¥1,000	
1930	—	—	6,096	61.0	11,708	50.3	26.2	29.0	24,654.5
1931	—	—	5,460	54.6	14,183	63.8	23.9	25.3	21,741.5
1932	—	—	6,569	51.7	16,320	50.2	44.7	55.6	33,747.0
1933	—	—	4,969	58.5	27,220	129.9	105.2	218.6	48,301.5
1934	3,160	3.6	5,935	80.6	56,330	259.9	103.5	263.5	69,172.8
1935	2,410	7.2	11,027	126.4	81,510	381.5	105.5	264.7	88,039.2
1936	14,258	37.8	5,113	72.0	114,569	729.4	79.9	203.1	110,429.7

Note: Later figures are not officially released.

FORESTRY

The total area of Korea is 220,794 square kilometers. Of this area, about 73 per cent. is occupied by forests and plains. As a large part of these forests and plains was in a state of desolation at the time of annexation, the Government-General has since made efforts for afforestation. As a result, forestry enterprises have sprung up in various localities. The principal species recently planted are the Akamatsu (Pinus Thunbergii) the Chosen-karamatsu (Larix dahurica, var. coreana), the Chosen-matsu (Pinus koraiensis), the Kuromatsu (Pinus densiflora), the Manshu-kuromatsu (Pinus funebris Komar), the Rigida-matsu (Pinus rigida Mill.), the Kunugi (Quercus serrata), the Niseakashia (Robinia pseudoacacia), and the Hannoki (Alnus japonica).

The principal state forests lie in the districts forming the sources of the River Yalu, Tumen, Taidong, Han and other main rivers. The annual amount of the fell from forests amounted to 2,436,000 cubic meters in 1937, valued at ¥25,891,000 cubic metres. The principal trees used for various purposes are the Akamatsu, Chosen-matsu, Chosen-karamatsu, Ezomatsu (Picea ajanensis, Fisch), fir trees, and varieties of deciduous oak. The Akamatsu and other acerose trees are used chiefly for buildings, telegraph poles, bridges and ship-buildings, and Onoorekanba (Betula Schmidtii) called Danboku is valued as timber for vehicles.

The total forest area classified according to localities for the latest year available is tabulated below:

Table 34. Area of Forests By Localities

(End of 1937)

(In thousands of cho)

Localities	Area with trees	Area under saplings	Area without trees	Total incl. others
Keiki-do (Kyongki)	566,837	69,548	34,524	771,745
Chusei Hoku-do (North Choongchong)	403,377	75,470	25,691	538,460
Chusei Nan-do (South Choongchong)	342,293	96,993	36,103	497,745
Zenra Hoku-do (North Chonla)	445,963	44,178	16,653	550,345
Zenra Nan-do (South Chonla)	687,031	83,439	46,893	883,016
Keisho Hoku-do (North Kyongsang)	1,140,177	67,727	73,223	1,342,089
Keisho Nan-do (South Kyongsang)	601,463	109,506	36,556	846,525
Kokai-do (Whanghai)	739,073	147,509	41,902	993,085
Heian Nan-do (South Pyong-an)	787,496	32,024	40,088	991,166
Heian Hoku-do (North Pyong-an)	1,495,326	354,707	159,883	2,308,519
Kogen-do (Kwan-won)	1,261,862	459,711	284,029	2,189,441
Kankyo Nan-do (South Hamkyong)	1,770,589	391,544	270,689	2,698,347
Kankyo Hoku-do (North Hamkyong)	1,265,179	197,199	90,251	1,701,393
Total	11,506,666	2,129,555	1,156,485	16,311,876

Table 35. Area of Forest By Ownership

(In 1,000 cho)

	State		Public		Private		Total		
	Forest	Wild land	Forest	Wild land	Forest	Wild land	Forest	Wild land	Total
1930	7,206	634	794	72	7,245	650	15,244	1,356	16,661
1931	6,411	603	857	79	7,842	696	15,110	1,378	16,488
1932	6,108	523	904	90	8,127	706	15,139	1,319	16,458
1933	5,723	487	959	89	8,348	830	15,030	1,405	16,436
1934	5,379	486	950	108	8,524	898	14,854	1,492	16,346
1935	5,743		901		9,693		16,337		16,337
1936	5,657		928		9,754		16,340		16,340
1937	5,529		983		9,612		16,312		16,312

Table 36. Forestry Products

(Unit: ¥1,000)

	Timber		Bamboo	Fagot	Branches & leaves	Green Manure	Compost Materials	Charcoal	Total incl. otherl
	(1,000 cub. mtr.)								
1933	1,990	13,679	291	23,106	24,591	3,180	8,503	2,208	94,330
1934	2,299	17,854	320	24,508	26,679	2,540	7,802	2,863	106,031
1935	2,265	18,137	246	26,412	28,127	2,611	8,560	2,686	114,005
1936	2,269	18,941	314	28,752	24,625	2,624	9,966	3,309	118,065
1937	2,436	25,891	428	30,653	23,847	2,742	16,530	3,687	138,709

MANUFACTURING INDUSTRY

A marked development in the manufacturing industries of Chosen has been attained in recent years. In 1937 the value of output amounted to ¥959,308,000, representing an increase of roughly three folds over that for 1934. The country is favoured with a large variety of important raw materials for the manufacturing industry which has contributed in a large measure for the spectacular expansion witnessed in this branch of enterprise.

Electric and Gas Enterprises.—At the end of March, 1938 there were 21 electric companies with a combined capital of ¥277,483,000 of which ¥240,129,650 was paid up. They represented a generating power of 969,658 K.W.

At the same date there were four gas companies capitalized at ¥62,433,000 (¥48,919,650 paid up). They had a combined production capacity of 43,028 cubic metres.

Table 37. Value of Production in the Manufacturing Industries

(¥1,000)

	1932	1933	1934	1935	1936	1937
Spinning & Weaving:						
Reeling	15,621	17,856	17,303	18,319	19,732	21,626
Spinning	....	6,147	8,971	15,047	22,890	37,662
Cotton Fabric	14,600	15,864	20,781	27,053	32,019	50,972
Silk Fabric	3,339	3,723	5,012	5,724	5,238	6,534
Rayon Fabric	433	408	879	1,671	3,813	3,793
Linen Fabric	5,909	7,062	7,329	7,438	7,058	8,793
Knitted goods	1,736	2,464	3,417	3,957	4,803	5,746
Total including others	47,197	55,327	67,791	82,328	99,477	141,154
Metal:						
Pig Iron	4,114	5,606	7,722	7,332	9,616	11,704
Casting	1,609	2,331	2,523	2,907	2,418	4,059
Gold-silver-platinum ware	1,152	1,582	2,148	3,279	1,308	2,511
Total including others	10,346	14,714	17,383	34,321	28,366	50,766
Machinery & Tools:						
Vehicles	5,060	3,190	3,907	4,352	1,616	5,536
Other machineries	3,253	4,323	5,575	7,156	5,476	10,697
Total including others	8,313	7,513	9,481	11,525	7,399	16,565
Ceramics:						
Potteries & porcelains	1,825	2,154	2,703	2,323	2,259	3,438
Brick & other fire proofs	859	963	1,212	1,643	2,360	....
Cement	5,335	5,625	5,515	9,545	11,258	12,319
Cement manufactures	578	789	1,027	1,276	2,042	....
Enamelled ironware	89	337	662	1,340	1,892	2,984
Total including others	9,840	11,142	12,472	17,563	21,876	25,072
Chemicals:						
Drugs	5,013	4,459	4,153	4,768	4,593	4,111
Mineral oils	539	1,099	1,748	2,674	6,639	21,546
Vegetable oils & fats	2,981	3,938	4,391	4,576	5,782	6,952
Animals and fish oils and fats	2,323	4,388	6,490	20,251	22,281	28,056
Rubber manufactures	4,854	7,041	8,200	10,668	12,740	17,036
Paper	3,817	4,939	5,549	7,248	7,420	9,200
Chemical, others	20,487	9,293	13,750	36,728	48,371	111,604
Fertilizers	5,292	31,225	41,558	55,046	73,274	90,558
Total including others	49,555	70,519	91,151	147,834	195,431	304,948
Woodworking:						
Furnitures	3,418	4,429	5,312	5,984	6,958	7,405
Total including others	5,021	1,550	1,959	2,259	9,936	11,737
Printing & Bookbinding	9,676	9,549	11,238	12,744	13,133	16,304
Provisions:						
Alcoholic liquors	42,446	50,491	55,249	71,957	85,047	98,790
Soy and Miso	14,787	18,871	25,085	29,782	33,319	41,909
Flours	2,667	3,404	2,360	2,348	2,569	4,218
Sugar (incl. molasses)	106	6,541	6,195	8,522	8,992	10,547
Tinned goods	989	1,949	2,500	2,752	3,261	4,465
Total including others	104,259	122,730	137,670	169,420	199,883	238,033
Gas & Electricity	11,069	10,987	12,831	39,804	39,989	40,076
Others:						
Paperwares	888	957	836	1,292	1,369	....
Straw manufactures	9,238	9,855	12,152	16,560	11,251	19,317
Hide & leather manufactures	1,563	1,890	2,019	2,284	2,710	2,885

	1932	1933	1934	1935	1936	1932
Clothings, etc.	4,442	5,082	5,842	6,988	7,849	8,189
Tobacco	32,452	34,277	41,791	43,181	50,094	53,271
Total including others	59,675	64,382	78,835	91,027	103,842	114,653
Grand Total	**310,837**	**367,236**	**438,402**	**607,477**	**730,807**	**959,308**

Note: Above figures include government factories, railway factories and prisons.

TRADE

Markets.—From old times the greater part of business transactions in Chosen have been done in regular markets. Of late traders have increasingly established shops as their permanent seats of business. But, still the markets are important local organs of trading. As at the end of 1937 there were throughout the peninsula 1,444 of these markets, transactions thereon amounting to ¥327,000,000 and upwards a year. These markets are generally open five or six times a month.

Trades by Japanese.—Prior to the annexaton of the peninsula, trades by Japanese were confined chiefly to those places on which Japanese residents were concentrated such as Jinsen, Fusan, Masan, Gunsan, Gensan, Heijo, Chinnanpo, Shingishu, etc. Since the annexation, however, trading by Japanese has spread to all parts of the country. Principal trades by Japanese consists of exports (inclusive of shipments to Japan) of cereals, aquatic products, cow-hide, and other special products of Korea and imports (inclusive of consignment from Japan) of various kinds of miscellaneous goods, cotton yarn and cloth, fertilizer, petroleum, sugar, matches, etc. Besides, there are many wholesale and retail dealers in various lines of goods. Such goods as the necessaries of life, piecegoods, saké, soy, stationery, sweets, coarse wares, vegetables, etc., are generally supplied by wholesalers in Seoul, Jinsen and Fusan to retailers in various other places.

Companies.—In sympathy with recent industrial developments, companies on a large scale especially for industrial purposes have been increasingly established. The table given below will show the situation in recent developments of companies in Chosen:—

Table 38. Number of Companies in Chosen by Business

	Those with Head Office in Chosen			Those with Head Office in Japan Proper or others		
	No. of Cos.	Authorized Capital (¥1,000)	Paid-up Capital (¥1,000)	No. of Cos.	Authorized Capital (¥1,000)	Paid-up Capital (¥1,000)
1911	152	39,766	15,910	25	79,546	65,196
1931	2,035	656,045	359,232	116	2,353,359	1,978,126
1932	2,158	679,562	375,250	165	2,360,284	1,994,680
1933	2,280	682,476	393,241	162	2,385,199	1,960,562
1934	2,302	713,814	431,507	169	2,486,311	1,957,122
1935	2,359	912,553	591,276	128	2,285,441	1,682,950
1936	2,721	1,184,011	....	183	4,399,563	....
1937	3,217	1,472,438	....	168	2,863,485	....
1937:						
Agriculture & Forestry	161	88,418	....	22	113,155	....
Commerce	992	112,489	....	37	486,903	....
Mfg. Ind.	981	408,108	....	37	1,127,417	....
Mining	85	146,332	....	23	295,805	....
Fishery	44	13,515	....	6	291,810	....
Banking	155	154,513	....	3	314,700	....
Transports	353	205,906	....	9	117,370	....
Gas & Electric	19	258,958	....	—	—	....
Civil Engrg.	157	22,791	....	11	32,400	....
Others	270	61,418	....	20	83,925	....
Total	3,217	1,472,438	....	168	2,863,485	....

Chambers of Commerce and Industry.—In accordance with the provisions of the Korean Chambers of Commerce and Industry Act promulgated in 1930 the Chambers of Commerce, which had hitherto existed, were renamed as Chamber of Commerce and Industry. These institutions exist in nineteen places including Jinsen, Gunsan, Moppo, Fusan, Heijo, etc. Besides, there is an associated chamber of commerce and industry styled "The Korean Chamber of Commerce and Industry."

RAILWAYS

The first railway enterprise in Korea dates back to 1899 when a railway line between Keijo (Seoul) and Jinsen (Chemulpo) covering a distance of 29 kilometres was laid and opened to traffic by the Kei-jin Railway Company. The outbreak of the Russo-Japanese War caused the Department of War in Japan to build the Keijo-Fusan, Keijo-Shingishu and the Masan lines which were respectively opened to traffic in 1904 and 1905. In 1906 the Imperial Government of Japan nationalized the Keijo-Fusan and also took over the Keijo-Shingishu and the Masan lines from the Department of War, placing all those lines under the control of the Railway Bureau of the Korean Resident-General. Meanwhile the work of construction was steadily pushed on and in 1910 the Heijo-Chinnanpo line was completed. On the spanning of the River Yalu with an iron bridge in 1911 the peninsula railway was brought into connexion with the South Manchuria Railway line. In 1914 the Taiden-Moppo and Keijo-Gensan lines were completed, while in 1915 part of the Gensan-Kwanei line was opened. In 1939 the total length of the State-owned lines in Korea was 4,070 kilometres. The railway lines of the peninsula are as follows:—

Table 39. Principal Railways in Chosen

(1939)

Line System	Line Name	Connection	Distance (Kms.)	No. of Daily roundtrip
Keifu	Keifu Honsen	Keijo–Fusan	450.5	7
	Keijin	Minami Keijo—Jinsen	31.0	15
Keigi	Keigin Honsen	Keijo–Antung	499.3	5
	Kenjiho	Kokaikoshu–Kenjiho	13.1	..
	Heian	Heijo–Chinnanpo	55.2	9
	Heijo Tanko	Daidoko–Shokori	23.3	..
	Hakusen	Reibi–Hakusen	9.3	..
Konan	Konan Honsen	Moppo–Taiden	261.1	3
	Kunsan	Kunsan–Riri	24.7	..
Keizen	Keizen Southern	Reishu–Sanryoshu	110.1	2
	Chinkai	Chinkai–Shogen	20.6	..
	Keizen Western	Junten–Shoteiri	134.6	2
	Koshu	Koshu–Tanyo	21.5	..
Zenra		Riri–Reisuiko	198.8	2
Kyogen		Ryuzan–Genzan	223.7	4
Kankyo	Kankyo Honsen	Genzan–Yujo	532.8	3
	"	Yujo–Kainei	84.8*	..
	Seishin	Seishin–Yujo	9.0	..
	Kainei Tanko	Kainei–Keirin	11.0*	..
	Hokusei	Hokusei–Shin Hokusei	9.4	..
Mampo	Mampo Honsen	Junsen–Kokai	250.6	..
	Kaisen	Shinanshu–Kaisen	29.5	..
Keizan		Keizanchin–Kisshu	141.7	..
Hakumo		Kakugan–Rinkodo	100.5†	..
Heigen	Heigen Eastern	Kogen–Jonai	30.0	..
	Heigen Western	Saiho–Yotoku	123.9	..
Tokai	Tokai Southern	Fuzanchin–Keishu	112.3	..
	Tokai Central	Taikyu–Eisen	38.4	..
	" "	Eisen–Kakuzan	73.3†	..
	Tokai Northern	Anpen–Joyo	192.6	..
Tomon		Kainei–Yuki	220.4*	..
Total including others			4,070.1	

Note: * The asterisk indicates lines whose operation are entrusted with the S.M.R. and others, totalling 328.5 kilometers.
† Indicates light railways.

Table 40. Results of State Railways

Year Ending Mar. 31 :	Mileage of Railway open to traffic (Kms.)	Rolling stock			No. of Passengers carried		Volume of goods carried	
		Locomotives	Passenger carriages	Freight wagons	Number (1,000)	Fare (¥1,000)	(1,000 m. tons)	Freight (¥1,000)
1930	2,751.5	331	828	3,522	23,226	21,054	6,160	20,766
1931	2,792.5	334	829	3,632	20,650	17,658	5,936	19,164
1932	3,008.5	347	867	3,763	19,674	16,656	6,025	19,645
1933	3,142.8	360	900	3,992	20,592	18,111	6,249	20,576
1934	2,935.4	...	...	...	22,238	20,802	7,255	22,445
1935	3,077.4	...	...	...	25,615	24,358	7,682	25,791
1936	3,389.5	...	...	...	29,344	28,172	8,668	28,305
1937	3,575.9	...	...	...	33,708	32,143	9,980	32,893
1938	3,735.2	...	...	...	35,906	37,167	11,370	39,741

PRIVATE RAILWAYS AND TRAMWAYS

For the encouragement of private railway enterprises, the Government-General promulgated the Chosen Light Railway Regulation in 1912, making provisions for their supervision and protection. Since then the authorities have yearly inspected the projected private railway lines. The total length of private railway and tramway lines open to traffic as at the end of September 1938 was 1,327.7 kilometres.

Motor Transport.—The motor transport service in Korea has of late made such swift developments as to be assuming an important position as a land transport organ together with the railway and tram services. In the field of the regular service the operators of the passenger traffic as at the end of September, 1938 numbered 155, operating lines aggregating 26,197 kilometres in length.

Communications

The postal, telegraph and telephone services of Chosen follow in the main the same system as obtains in Japan proper. The network of these services has been extended to all of the important points in the country. In the number of mails handled, in the number of telegraphic messages sent and received, and in the number of new telephone subscribers, steady increases have been witnessed.

Table 41. Statistics of Communications

(A) Postal Service

Year Ending Mar. 31:	No. of post office	Mail routes (Km.)	No. of mail handled		Parcel post handled	
			Accepted (millions)	Delivered (million)	Accepted (1,000)	Delivered (1,000)
1935	843	72,634	694	322	2,415	3,578
1936	872	75,444	327	359	2,506	3,729
1937	926	76,953	344	382	2,593	3,823
1938	993	77,249	341	359	2,879	4,295

(B) Telegraph Service

	No. of Telegraph Office	Total routes (1,000 kilo meters)	Length of wire (1,000 kilo meters)	No. of Telegrams (1,000)						
				Despatched			Arrived			
				Japanese language	Code	Foreign language	Japanese language	Code	Foreign language	Transmitted (1,000)
1935	853	8,793	42,575	6,582	537	39	6,505	531	44	12,694
1936	878	8,815	44,250	7,312	647	34	7,219	656	47	13,962
1937	910	8,747	45,069	8,232	720	30	8,151	717	43	16,117
1938	967	8,863	47,721	9,475	778	32	9,487	765	33	18,399

(C) Telephone Service

	No. of Telephone Office	Total routes	Length of wire	No. of subscribers	No. of calls (1,000)	
					Ordinary	Long-distance
1935	750	9,586	173,369	37,694	239,171	3,892
1936	766	9,681	190,153	39,763	266,096	4,294
1937	791	10,546	219,289	42,605	288,697	3,911
1938	829	11,115	256,527	48,972	274,859	4,253

Table 42. Postal Money Orders and Post Office Savings Banks

Year Ending Mar. 31:	Domestic Money Orders		Foreign Money Orders		Savings Banks	
	Issued (¥1,000)	Paid (¥1,000)	Issued (¥1,000)	Paid (¥1,000)	No. of depositors (1,000)	Amount (¥1,000)
1931	92,966	82,627	366	275	2,118	38,853
1932	87,126	77,217	241	237	2,285	41,433
1933	93,585	85,226	205	370	2,494	40,939
1934	108,254	99,723	303	701	2,841	44,807
1935	122,063	110,910	466	1,044	3,156	52,632
1936	130,567	115,487	522	1,746	3,571	54,821
1937	145,140	126,148	362	3,566	3,861	60,423
1938	157,217	135,069	294	8,054	4,247	68,303

ORIENTAL DEVELOPMENT COMPANY, LIMITED.

(Toyo Takushoku Kabushiki Kaisha)

The Oriental Development Company is the first joint undertaking by Japanese and Koreans for exploiting the resources of Korea. It was organized in 1908 with a capital of ¥10,000,000. The capital in 1938 was ¥50,000,000, of which ¥35,000,000 was paid-up.

The scope of the business of the Company as provided for by Article 11 of the Oriental Development Act is as follows:—

(1) Supplying funds necessary for colonization.

(2) Engaging in agriculture, riparian work, acquirement, management and disposal of land necessary for colonization.

(3) Collecting and distributing immigrants for colonization.

(4) Constructing, buying and selling and renting buildings necessary for the immigrants.

(5) Supplying immigrants and agriculturists with things necessary for colonization and distributing their products.

(6) Managing and supervising land on trust.

(7) Carrying on other businesses, necessary for colonization.

Besides the above forms of business the Company makes loans as an agency of the Hypothec Bank of Japan.

Sphere of Business Activity.—The sphere of the business activity of the Company is so extensive as to cover Korea, Kwantung Province, Manchoukuo, Mongolia, East Asiatic Russia, Hopei Province, Shantung Province and Kiangsu Province of China, the Philippines, the South Seas, the Malay Peninsula.

The Company has its head office at Tokyo, to which it was removed in 1917 from Seoul, and branch offices in nine places in Korea and five places in Manchoukuo and agencies in Tsingtao and Tientsin.

Statistics of the business of the Company are tabulated below:—

Table 43. Results of Oriental Development Company

(In 1,000 yen)

	Capital Subscribed	Capital p.u.	Reserves	Profits	Loss	Net profits	Dividends	Ratio of dividends %
1930 1st half	50,000	35,000	1,619	8,744	7,974	770	640	4.0
1931 1st half	50,000	35,000	1,733	8,671	8,052	619	480	3.0
1932 1st half	50,000	35,000	1,878	9,200	8,991	209	—	—
1933 1st half	50,000	35,000	1,900	11,670	11,670	—	—	—
1934 1st half	50,000	35,000	1,900	10,709	10,709	—	—	—
1935 1st half	50,000	35,000	1,936	10,437	9,673	765	—	—
1936 1st half	50,000	35,000	2,140	12,328	10,773	1,556	700	4.0
1937 1st half	50,000	35,000	2,422	12,552	11,279	1,273	875	5.0
1938 1st half	50,000	35,000	2,682	14,764	13,445	1,320	1,050	6.0
1939 1st half	50,000	35,000	3,339	18,628	16,971	1,657	1,225	7.0

Table 44. Various Loans Outstanding By the Oriental Development Company Classified by Purposes

(Unit: ¥1,000)

1st half	Chosen		Manchoukuo		North China		South Sea Isls.		Total
1933	84,921	72%	25,473	22%	2,122	2%	4,216	4%	116,732
1934	88,236	74	25,905	21	1,995	2	3,188	3	119,364
1935	81,233	70	26,892	23	1,537	1	6,184	5	115,846
1936	89,036	67	29,298	22	2,716	2	12,425	9	133,474
1937	94,982	66	34,772	24	4,386	3	13,063	7	147,203
1938	105,208	64	34,870	23	5,649	4	15,373	9	161,100
1937 Dec.	102,071	64	36,552	23	5,207	4	15,743	9	159,573
" Of which									
Improvement of land	1,705		318		..		..		2,023
Water Utilization	20,856		65		..		..		20,921
City Estate & Bldg.	8,113		24,683		896		..		33,692
Agricultural Management	34,187		2,604		..		..		36,790
Forestry	273		5		..		4,345		4,624
Sericulture	268		27		..		..		295
Fruits Plantation	310		28		..		..		339
Fertilizer	58		..		..		..		58
Ginseng	6		..		..		..		6
Stockbreeding	37		9		51		3		96
Mining Ind.	4,023		947		169		..		10,139
Paper Ind.	170		..		..		..		170
Lumbering	..		37		..		..		37
Spinning	269		89		800		..		1,158
Rice Refinery	168		..		..		..		168
Oil Refinery	200		120		..		..		320
Ceramic	367		189		..		..		556
Brewery	611		131		..		..		742
Various Mfg. Ind.	844		1,476		..		..		2,319
Transports & Communications	403		16		..		..		419
Electric & Gas	56		15		..		..		71
Disaster Relief	26		..		..		..		26
Cultural	314		135		..		..		449
Miscellaneous	4,727		1,394		199		183		6,503
Total incl. Others.	102,071		36,552		5,207		15,743		159,573

Table 45. Work of Oriental Development Co.

(Area in hectares)

	Paddy	Upland	Forest & miscellaneous	Total incl. others	No. of households of settlers	Area allotted			Area allotted average per household		
						Paddy	Upland	Total	Paddy	Upland	Total
1929	46,682	16,944	41,709	105,336	3,967	9,234	942	10,176	2.32	0.24	2.56
1930	46,584	16,887	60,092	123,565	3,943	9,059	933	9,992	2.29	0.23	2.52
1931	46,284	16,804	90,085	153,175	3,921	9,138	938	10,076	2.33	0.24	2.57
1932	46,194	16,926	92,344	155,464	3,905	9,070	935	10,005	2.32	0.24	2.56
1933	46,157	16,940	101,491	164,588	3,896	9,040	933	9,973	2.32	0.24	2.56
1934	44,521	18,211	103,686	166,418	3,893	9,051	934	9,985	2.32	0.24	2.56
1935	42,895	17,300	105,753	165,948	3,891	9,050	934	9,984	2.32	0.24	2.56
1936	40,950	16,968	87,858	145,776	3,885	9,030	936	9,966	2.32	0.24	2.56
1937	35,161	18,404	114,934	173,989	3,880	8,931	931	9,860	2.32	0.24	2.53
1938	35,041	18,663	114,948	176,789	3,883	2,917	288	3,940	0.75	0.07	1.02

References:

Table Nos.: 1-12 a, 13-14 a & b, 15-42 a, 43-45 c.

Key: a—Chosen Govt.-General.
b—Dept. of Finance.
c—Oriental Development Co.

CHAPTER XLII

TAIWAN (Formosa)

GEOGRAPHY

Position—119° 18′—122° 6′ E. L.; 21° 45′—25° 38′ N. L.

Area—Main island 35,834 sq. kms. Boko-to (Pescadores) 64 sq. kms.

The island was ceded to Japan by China as the result of the Sino-Japanese War (1894-5) by virtue of the Shimonoseki Treaty.

The total area of this insular territory almost equals that of Kyushu. The seaboard extends nearly 290 "ri," but with no good indentation except the ports of Keelung and Tamsui in the north and that of Takao in the south.

The main island is traversed from north to south by the Taiwan range, the eastern half thus formed being steep and craggy, but the western half flat and fertile. Highest peaks are Mt. Niitaka (Morrison) (13,035 ft.) and Mt. Tsugitaka (Sylvia) (12,743 ft.). The rivers are short with swift current.

Table 1. Average Temperature

(In Celsius)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
Taihoku	15.2	14.8	16.9	20.6	24.1	26.6	28.2	27.9	26.2	22.9	19.8	16.8	21.7
Keelung	15.5	15.0	16.6	20.1	23.4	26.3	27.9	27.8	26.2	23.2	20.1	17.2	21.6
Taichu	15.7	15.5	18.1	21.9	25.1	26.8	27.7	27.4	26.4	23.7	20.3	17.2	22.2
Karenko	17.3	17.4	18.9	21.5	24.4	26.0	27.2	27.1	25.9	23.4	20.9	18.5	22.4
Tainan	16.9	16.9	19.6	23.3	26.2	27.3	27.8	27.5	27.0	24.7	21.5	18.4	23.1
Taito	18.9	18.9	20.7	23.2	25.2	26.9	27.4	27.2	26.4	24.4	22.1	19.9	23.4
Koshun	20.3	20.4	22.2	24.6	26.4	27.3	27.5	27.2	26.7	25.3	23.3	21.3	24.4
Bokoto (Pescadores)	16.2	15.7	18.3	22.0	25.0	27.0	27.9	27.8	27.0	24.6	21.5	18.2	22.6

INHABITANTS AND POPULATION

The inhabitants or population of the island is mainly classified into three, i.e., Japanese, natives and foreigners. The first named, namely, Japanese are those who have come over from Japan proper and settled in the island since its occupation by Japan; the bulk of the foreign population are Chinese, the number of European and American residents being quite limited. The native inhabitants are classified into the Han race and the aboriginal race. The former is again divided into those settlers from Fukien and neighbourhood and those from Canton and neighbourhood, and occupy about 93 per cent. of the total number of the native inhabitants. The natives, the original and oldest inhabitants of the island, are again divided into uncivilized and civilized. In the accompanying statistics the figure of aborigines is the estimate of those residing in the aboriginal district, while the number of aborigines residing in the districts within the jurisdiction of the insular administration is included in the number of natives.

The total population (excluding the aborigines dwelling in the aboriginal districts) for 1935 is returned as 5,212,426 which figure, when compared with the similar figure at the end of 1905 when the census in the islands was taken soon after the island became Japanese territory, indicated an increase of 2,172,675. The following figures represented the census population enumerated quinquennially:—

Table 2. Census Population By Sex

	*1935	*1930	1925	1920	1915	1905
Male	2,659,819	2,353,288	2,052,669	1,893,541	1,813,053	1,610,816
Female	2,552,607	2,289,249	1,940,739	1,761,767	1,666,869	1,428,935
Total	5,212,426	4,592,537	3,993,408	3,655,308	3,479,922	3,039,751

Noted: * Including aborigines.

Table 3. Census Population in Principal Cities in 1935

Taihoku	278,446	Tainan	111,959
Shinchiku	52,107	Kagi	72,984
Keelung	84,978	Takao	83,735
Taichu	70,467	Shoka	51,236

The population as classified according to Japanese, natives and foreigners is as follows:—

Table 4. Population Classified by Nationality

(Unit: 1,000)

	Japanese			Natives			Foreigners			Grand Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
1905	35.9	23.7	59.6	1,570.2	1,408.8	2,979.0	7.7	0.5	8.2	3,046.9
1910	58.6	39.5	98.0	1,626.3	1,479.9	3,106.2	13.3	1.4	14.8	3,219.1
1914	82.3	39.5	141.8	1,718.8	1,588.5	3,307.3	16.9	2.7	19.6	3,468.7
1931	131.6	112.3	243.9	2,251.3	2,174.8	4,426.1	30.7	14.6	45.3	4,715.3
1932	131.6	116.9	248.5	2,361.8	2,277.4	4,639.2	27.9	14.3	42.2	4,930.0
1933	136.3	121.3	257.5	2,421.9	2,337.3	4,759.2	29.0	14.8	43.8	5,060.5
1934	139.2	125.0	264.3	2,484.8	2,397.5	4,882.3	32.0	16.4	48.4	5,195.0
1935	142.3	129.1	271.4	2,536.7	2,453.4	4,990.1	35.9	18.3	54.1	5,315.6
1936	148.8	135.0	283.7	2,596.5	2,512.5	5,108.9	39.2	20.0	59.2	5,451.9
1937	158.1	141.2	299.3	2,673.0	2,588.6	5,261.5	30.0	16.2	46.2	5,609.0

Note: * Consists mostly of Chinese.

The number of births, deaths, marriages, etc., and their rate per 1,000 population are as follows, excluding aborigines:—

Table 5. Movement of Population per 1,000 Inhabitants

	Marriage		Divorce		Birth		Still-birth		Death	
	Japanese	Natives	Japanese	Natives	Japanese	Natives	Japanese	Natives	Japanese	Natives
1932	3.1	9.3	0.1	0.9	31.4	45.0	1.6	1.6	10.8	21.0
1933	3.5	9.2	0.0	0.8	31.1	45.4	1.5	1.6	10.7	20.3
1934	2.9	8.9	0.0	0.8	29.4	45.8	1.6	1.6	11.3	21.1
1935	2.9	9.2	0.0	0.8	29.6	46.1	1.3	1.5	10.9	21.0
1936	2.9	8.9	0.0	0.7	28.1	44.6	1.2	1.4	10.5	20.3

ABORIGINES

There are nine different tribes ethnologically all more or less allied to the Malay race. The natives may be broadly classified into Northern and Southern aborigines. The former are savage headhunters, the latter more submissive and civilized. The Northern aborigines almost exclusively belong to the Taiyol tribe and occupy a little under half the whole extent of the unexplored regions. The Southern tribes are Tsaissetto, Vonum, Tsco, Tsarien, Taiwan, Puyuma, Amis, Peipo and Yami (this on Botel Tobago island alone) and they are about four times as numerous as the other. These together occupy the region covering about one half the total area of the island, where natural resources abound.

Subjugation and Pacification.—The program of subjugation and pacification at the cost of ¥15,000,000 was completed in about five years ending 1915. The tribesmen were made as mark of allegiance to surrender their firearms, and the number thus captured amounted to 31,523 pieces till the end of 1927. The victims of violence by the savages markedly fell off. The total till the end of 1927 reached 6,918. The heaviest toll was 761 in 1912 as against 41 in 1918, 2 each in 1925 and 1926 and 9 in 1927.

There remain one or two communities to be accounted for; and the peaceful policy of subjugating them by clearing up the wild land is being pursued.

The tendency to engage in various peaceful occupations is steadily growing among the tribesmen. In addition, even the good habits of industry and thrift are in evidence among them.

Principal occupations are rice plantation on paddy fields, stockfarming, sericulture and cultivation of other farm products such as sugar canes, tobacco, jute, tea, etc.

ADMINISTRATION

New Local Administration

In August, 1920 five prefectures, Taihoku, Shinchiku, Taichu, etc., were created much on the same lines of local administration as in Japan proper, each under a civil governor, and with it the municipal and village self-government has come into existence. The prefecture, municipality, and village conduct their respective affairs regarding taxation, revenue, management of enterprises, etc., as assigned to each by the new legislation. Advisory council, prefectural, municipal and village, have also been created to deliberate on the financial and legislative affairs, taxation, etc., in their respective commissions. The members of the prefectural council are appointed by the Governor-General, and those of the municipal and village members by the governor of the prefecture to which they belong, each for a term of two years and as gratuitous duty.

Table 6. Revenue and Expenditure

(Unit: ¥1,000)

Year Ending Mar. 31:	Revenue			Expenditure		
	Ordinary	Extraordinary	Total	Ordinary	Extraordinary	Total
1929	104,378	43,146	147,524	76,922	32,189	109,109
1930	107,582	42,659	150,241	82,804	39,492	122,295
1931	98,517	31,241	129,758	78,363	31,608	109,971
1932	93,352	22,620	115,972	76,647	22,413	99,060
1933	96,583	23,720	120,303	74,400	22,840	97,240
1934	100,664	30,148	130,812	78,989	23,231	102,221
1935	110,615	31,003	141,618	87,269	24,908	112,177
1936	123,408	33,142	156,549	94,025	29,921	123,944
1937	138,144	37,628	175,772	98,882	35,057	113,939
1938	153,455	49,381	202,837	109,274	47,170	156,445
1939 (Budget)	154,587	28,428	183,015	115,722	67,293	183,015
1940 (Budget)	175,046	33,556	208,602	130,327	78,275	208,602

Table 7. Summary of Revenue & Expenditure

(a) Revenue (In ¥1,000)

Ordinary: Year ending Mar. 31:	1936	1937	1938	1939 (Budget)	1940 (Budget)
Taxes and Duties	21,930	24,713	31,553	29,910	33,426
State Undertakings and Property.	94,517	104,876	113,462	117,447	133,803
Stamp Receipts	5,107	7,271	7,220	5,464	5,926
Miscellaneous Receipts	1,853	1,284	1,221	1,766	1,890
Total	123,408	138,144	153,455	154,587	175,046
Extraordinary:					
Proceeds from sale of State Property	832	833	911	643	646
Special Profit Tax	907	1,376	2,761	1,393	2,444
China Incident Special Tax	—	—	1,070	689	—
Surplus of preceding year transferred	29,441	32,605	41,833	22,158	18,373
Total incl. others	33,142	37,628	49,381	28,428	33,556
Total Revenue	156,549	175,772	202,837	194,418	208,602

(b) Expenditure (In ¥1,000)

Ordinary: Year ending Mar. 31:	1936	1937	1938	1939 (Budget)	1940 (Budget)
Administration Office	2,702	3,112	3,715	3,542	2,940
Local Governments	13,837	13,959	14,808	14,929	15,393
Judicial Courts	1,337	1,348	1,416	1,463	1,495
Prisons	1,264	1,338	1,371	1,303	1,326
Hospitals	1,233	1,273	1,323	965	948
Research Institute	1,407	1,407	1,514	1,551	1,728
Education	4,596	4,854	5,215	3,788	4,276
Communication & Transportation.	23,386	26,580	30,585	32,303	39,158
Monopoly Bureau	26,450	28,001	31,752	32,049	35,591
Forestry	3,229	3,403	3,733	3,915	5,151
Sinking Fund	7,593	6,681	6,682	6,589	6,556
Total including others	94,023	98,882	109,274	123,956	130,327

Extraordinary: Year ending Mar. 31:	1936	1937	1938	1939 (Budget)	1940 (Budget)
Government Undertakings	12,836	15,127	16,969	20,808	24,470
Repairs	2,481	3,716	6,189	9,509	9,657
Inspection	1,151	1,005	1,173	1,817	1,869
Subsidies	5,931	8,337	8,299	11,406	11,746
Industrial encouragement	1,959	2,234	2,810	3,946	4,593
Transferred to the Special Defence Account	..	..	6,315	14,537	17,658
Transferred to ordinary account	—	1,900	5,250	—	—
Total including others	29,921	35,057	47,170	67,293	78,275
Total expenditure	123,044	133,939	156,445	182,988	208,602

EDUCATION

By the regulation promulgated in 1932 both Japanese and natives were placed under a uniform system of education. In the primary grade, however, the native children mostly attend the public schools which formerly admitted only natives to teach them Japanese.

With the creation of the normal schools in 1919 the Language School, which consisted of two departments, Japanese and native, was abolished. The High School established in April 1922 is under the same regulation as that in Japan proper.

Table 8. Number of Schools, Teachers and Students

(End of April, 1938)

	No. of Schools	No. of Teachers	No. of Students
Elementary Schools	144	1,148	44,758
Public Schools	796	7,888 (40)	505,545 (7,232)
Middle Schools	14	388	8,025 (3,269)
Girls' High Schools	15	355	7,463 (2,287)
Normal Schools	4	153	1,590
Agricultural and Forestry Schools	5	101	1,673 (1,172)
Technical Schools	2	99	1,168 (322)
Commercial Schools	5	104	2,059 (498)
*Higher Medical School	1	37	194 (103)
Higher Commercial School	1	42	255 (26)
Higher Technical School	1	62	216 (31)
*Higher Agricultural & Forestry School	1	41	159 (8)
Imperial University	1	...	230 (69)
Private Schools	20	184	5,316
Native Private Schools	23	47	1,459
Kindergartens	81	289 (65)	6,228 (4,110)
Blind, Deaf and Dumb Schools	2	25	308

Note: * Attached to Taihoku Imperial University ( ) aborigines.

Table. 9. Number of Hospitals, Physicians, etc. in Taiwan

	Hospitals								
	Government	Public	Private	Total	Physicians	Dentists	Pharmacists	Midwives	Nurses
1927	13	16	80	109	1,112	117	105	1,071	..
1935	15	18	202	235	1,518	336	158	1,661	68
1936	15	17	217	249	1,650	370	178	1,667	81

Taihoku Imperial University

This was inaugurated in April 1928 and consists of Literary and Political, Agricultural Science and Medical Departments. The number of students was 230 at the end of April 1938, of whom 69 were Formosans. The Medical Department was established towards the end of 1935-36 and opened in 1936-37.

As at the end of March, 1938 the library attached to the University contained 148,434 foreign books and 223,204 Japanese and Chinese books.

JUSTICE AND PRISONS

The law courts as they exist now in Taiwan are the High Court, with the two Departments of Final Appeal and Revision, and three Local Courts with three branches.

Table 10. Statistics of Law Courts

Civil Suits

	1st instance		Appeal		Supreme		Total	
	No. of cases newly accepted	Cases disposed of	No. of cases newly accepted	Cases disposed of	No. of cases newly accepted	Cases disposed of	No. of cases newly accepted	Cases disposed of
1932	11,839	10,300	1,572	1,433	321	392	13,732	12,125
1933	11,258	11,167	1,724	1,388	222	207	13,204	12,762
1934	9,659	11,789	2,113	1,879	330	338	12,102	14,006
1935	9,150	9,510	1,526	1,883	336	354	11,012	11,747
1936	9,471	9,175	1,506	1,649	298	313	11,275	11,137
1937	9,490	9,372	1,503	1,347	253	257	11,246	10,976

Criminal Suits

	Procurators' visits		Preliminary Trial		Suits Classified		
	No. of cases newly accepted	Cases disposed of	No. of cases newly accepted	Cases disposed of	1st instance	Appeal	Supreme
1932	26,332	25,680	174	127	3,375	364	51
1933	26,670	26,356	160	159	2,998	388	104
1934	26,152	25,589	138	167	3,179	272	45
1935	27,340	26,390	144	132	2,907	297	48
1936	31,344	31,583	165	154	3,258	308	44
1937	27,958	27,902	133	150	3,142	292	36

MANUFACTURING INDUSTRIES

As the result of the completion of the Nichigetsu-tan Generating Power Station, accompanied by a brisk demand of war-materials, the total production of all the manufacturing industries combined in 1937 established the highest record, amounting to ¥374,931,000 or an increase over the previous year of roughly ¥77,947,000. Compared with the year 1912 when its total was only ¥47,000,000 that for 1937 shows an advance of some 8 folds. Classified by industries, the provision industry ranked first with ¥273,180,000 or 73% of the total production value, followed by the chemical industry with ¥35,251,000. Details of the manufacturing industries are given in the following tables:

Table 11. Industrial Production in Taiwan

(Unit: ¥1,000)

	Agriculture	Pastoral	Forestry	Fishery		Mining	Mfg. Ind.
				Catch	Products		
1929	261,479	32,641	13,887	14,446	2,775	14,847	263,745
1932	249,486	23,816	10,475	9,197	1,545	14,223	227,713
1933	205,586	26,676	10,487	10,807	1,909	15,475	224,504
1934	257,034	28,564	12,667	11,452	2,291	19,470	234,149
1935	319,971	32,713	12,731	13,640	2,293	22,839	293,431
1936	342,277	36,000	15,147	14,934	2,500	28,727	296,984
1937	353,780	49,167	16,664	14,513	2,324	....	374,931

Table 12-A. Output Value of Manufacturing Industries Classified

(¥1,000)

	Textile		Metal		Machinery		Ceramic		Chemical		Provision		Total incl. mis. industries
		%		%		%		%		%		%	
1932	2,446	1.8	5,768	2.5	4,403	1.9	6,974	3.0	15,778	6.9	172,522	76.0	227,713
1933	2,785	1.2	6,351	2.7	5,695	2.5	7,735	3.5	20,231	9.0	158,905	70.0	224,504
1934	3,100	1.3	7,069	3.0	5,884	2.5	8,072	3.4	23,672	10.0	161,966	69.0	234,149
1935	3,609	1.2	8,777	3.0	6,812	2.3	8,827	3.0	27,172	9.2	212,640	72.0	293,431
1936	4,127	1.5	11,170	3.7	5,964	2.0	8,414	2.8	30,231	10.1	208,634	70.0	296,984
1937	4,527	1.2	11,970	3.2	7,964	2.1	9,414	2.5	35,251	9.4	273,180	73.0	374,931

Table 12-B. Output of Manufacturing Industrial Products

Textile Industry

	Hemp Yarn					
	Volume (1,000 lb.)	Value (¥1,000)	Cotton Textile (¥1,000)	Linen (¥1,000)	Other (¥1,000)	Total incl. others (¥1,000)
1932	462	506	585	686	669	2,446
1933	503	531	700	887	667	2,785
1934	446	515	740	1,127	718	3,100
1935	538	715	941	1,243	711	3,609
1936	672	705	820	1,984	619	4,127
1937	..	..	..	....	..	4,527

Metallic Industry

	Gold-Silver Grains		Alloys					
	Volume (kg.)	Value (¥1,000)	Volume (M. ton)	Value (¥1,000)	Casting (¥1,000)	Tin-plate Goods (¥1,000)	Gold-Silver ware (¥1,000)	Total incl. others (¥1,000)
1932	....	1,527	....	....	563	1,470	1,804	5,768
1933	....	1,485	....	....	615	2,209	1,688	6,351
1934	....	3,187	....	....	576	1,790	1,601	7,609
1935	....	3,525	....	90	693	2,133	1,893	8,777
1936	1,644	4,517	8,658	1,212	618	1,083	2,039	11,170
1937	....	4,401	....	1,442	...	....	2,526	11,970

Machine & Tool Industry

	Machine and motors for sugar ind. (¥1,000)	Agricultural instruments (¥1,000)	Ships (¥1,000)	Other machine & tools (¥1,000)	Total (¥1,000)
1932	2,499	1,507	578	269	4,403
1933	3,464	1,143	672	416	5,695
1934	3,680	1,179	732	294	5,884
1935	4,288	1,211	890	423	6,812
1936	4,004	560	900	499	5,964
1937	3,908	...	...	...	7,964

Ceramic Industry

	Brick		Roofing tiles		Cement			Lime		
	Volume (Mill. pcs.)	Value (¥1,000)	Volume (Mill. pcs.)	Value (¥1,000)	Volume (1,000 m. tons)	Value (¥1,000)	Cement ware (¥1,000)	Volume (Mill. pcs.)	Value (¥1,000)	Total incl. others (¥1,000)
1932	179	1,976	140	614	122	3,230	216	52	387	6,974
1933	194	2,197	146	643	143	3,870	287	49	395	7,735
1934	211	2,205	156	688	141	3,811	230	55	401	8,072
1935	267	3,058	170	888	146	3,639	345	56	451	8,827
1936	316	3,527	99	744	143	3,182	390	63	453	8,414
1937	..	3,809	..	..	143	3,291	..	..	..	9,414

Chemical Industry

		Alcohol		Soap		Vegetable oil		Refined Camphor	
	Drugs (¥1,000)	Volume (1,000 koku)	Value (¥1,000)	Volume (M. ton)	Value (¥1,000)	Volume (Mill. kin)	Value (¥1,000)	Volume (1,000 lb.)	Value (¥1,000)
1932	1,036	146	3,678	5,086	842	4,092	933	1,575	1,297
1933	446	142	5,753	4,496	849	5,767	1,222	1,357	1,117
1934	628	149	7,945	5,407	1,026	6,292	1,309	1,418	1,242
1935	783	189	7,278	5,358	1,018	6,737	1,700	1,330	1,329
1936	506	178	6,037	4,679	953	6,002	1,788	1,348	1,346
1937	...	...	6,903	...	...	4,010	1,832	611	1,515

			Fertilizers						
	Paper		Super-phosphate of Lime		Mixed		Coke		
	Volume (M. ton)	Value (¥1,000)	Volume (Mill. kin)	Value (¥1,000)	Volume (Mill. kin.)	Value (¥1,000)	Volume (Mill. kin)	Value (¥1,000)	Total incl. others (¥1,000)
1932	9,642	649	26	436	73	2,148	14	73	15,778
1933	10,638	749	29	400	98	3,688	12	69	20,231
1934	11,152	892	30	420	91	3,652	15	102	23,672
1935	12,997	1,474	29	472	98	3,886	10	86	27,172
1936	11,979	1,828	38	716	113	4,920	15	102	30,231
1937	12,432	1,881	..	..	..	....	..	..	35,251

Provision Industry

	Beer		Soy			Flour		Salt	
	Volume (Hectolitre)	Value (¥1,000)	Volume (Hectolitre)	Value (¥1,000)	Table Water (¥1,000)	Volume (Mill. Kin)	Value (¥1,000)	Volume (M. ton)	Value (¥1,000)
1932	15,621	543	170,701	1,893	392	21,187	1,750	17,053	405
1933	15,409	543	163,397	1,844	406	22,366	2,075	20,635	483
1934	14,285	527	168,324	2,860	508	25,781	2,315	28,573	637
1935	16,962	580	193,279	2,314	689	23,757	2,452	29,275	653
1936	19,286	683	179,415	2,247	1,145	22,977	2,441	25,583	558
1937	....	...	180,302	2,304	1,199	22,770	2,491	....	...

	Sugar		Molasses			Tinned Pineapples		Tea		
	Volume (Mill. kin)	Value (¥1,000)	Volume (Mill. kin)	Value (¥1,000)	Sweets (¥1,000)	Volume (Mill. pcs.)	Value (¥1,000)	Volume (Mill. kin)	Value (¥1,000)	Total Value (¥1,000)
1932	1,648	143,194	307	2,612	4,527	32	4,631	12	4,352	172,522
1933	1,056	126,597	167	2,707	4,659	40	6,172	13	4,644	158,905
1934	1,078	119,726	149	4,442	4,923	37	6,250	17	10,894	161,966
1935	1,609	164,068	280	6,671	5,231	41	7,828	16	10,594	212,640
1936	1,903	158,668	284	5,715	5,150	38	7,032	17	11,486	208,634
1937	1,679	202,240	..	....	9,390	48	12,040	18	11,921	273,180

Miscellaneous Industry

	Wood & Woodworking				Other Industries				
	Lumbering (¥1,000)	Wooden Mfr. (¥1,000)	Total (¥1,000)	Printing & Bookbinding (¥1,000)	Paper ware (¥1,000)	Bamboo ware (¥1,000)	Footwear (¥1,000)	Headgear (¥1,000)	Total (¥1,000)
1932	3,055	3,964	7,019	3,316	1,170	1,283	1,019	2,924	9,487
1933	3,372	4,001	7,372	3,566	1,204	1,445	1,029	4,363	11,868
1934	3,100	4,179	7,279	3,704	1,239	1,434	1,116	5,066	12,864
1935	4,743	4,484	9,227	4,364	1,247	1,674	1,175	3,337	12,003
1936	5,725	5,028	10,753	4,766	1,131	1,958	2,246	3,336	12,926
1937	6,101	5,652	11,753	4,966	1,026	2,093	2,246	....	15,906

FORESTRY

The forest area is roughly put at 2,490,000 "ko" (1 "ko"—2.4 acres), including wilderness that occupies 70% of the total area. More than one half of it is the aborigine district noted for vast primeval forests. Reckless felling has devastated the other half. So the authorities have instituted protection forests and are encouraging reafforestation. Afforestation area at the end of July, 1937 totalled 37,145 hectares.

Table 13. Area of Forests By Ownership

(Unit in 1,000 Ko: 1 Ko=0.97 hectare)

	State		Public		Private		Total		
	Forests	Shrubs	Forests	Shrubs	Forests	Shrubs	Forests	Shrubs	Combined Total
1932	1,744	525	14	4	200	53	1,957	581	2,539
1933	1,732	521	15	3	204	50	1,951	574	2,525
1934	1,732	518	11	2	207	49	1,951	570	2,520
1935	1,707	513	12	3	220	48	1,939	564	2,503
1936	1,712	504	12	4	221	45	1,944	552	2,497
1937	1,705	491	12	6	221	45	1,933	537	2,470

Table 14. Forestry Output

	Timber		Firewood		Charcoal		Bamboo		
	Volume (1,000 cft)	Value (¥1,000)	Volume (1,000 M. tons)	Value (¥1,000)	Volume (1,000 M. tons)	Value (¥1,000)	Volume (1,000 pieces)	Value (¥1,000)	Total Value incl. others (¥1,000)
1932	179	3,893	478	2,192	55	1,233	26,736	1,318	10,475
1933	196	4,020	439	2,090	57	1,264	29,513	1,200	10,487
1934	220	4,237	455	2,229	64	1,550	48,797	1,849	12,667
1935	232	4,607	414	2,102	61	1,628	44,462	1,797	12,731
1936	274	5,598	431	2,711	65	1,890	48,768	1,743	15,147
1937	272	6,651	443	3,013	65	1,970	38,242	1,757	16,664

Lumbering Work

Several lumbering enterprises have already been started, principally for utilizing the dense "hinoki" (Chamaecyparis obtusa) forests that exist here and there.

Arisan Forest.—Arisan is a chain of hills rising 2,800 to 8,700 ft. above sea-level and lies to the east of Kagi city. It is sheltered on the east by Mt. Niitaka. Arisan Proper extends 15 miles from east to west and 20 miles from north to south, and covers 31,864 hectares. The contents of the forest are estimated as follows:—

Conifers 374,230 stamps yielding 2,948,590 cubic metres and broad leafed 1,112,186 stamps yielding 3,125,380 cubic metres.

As the Government utilization programme is to fell every year from 1915-16, 25,000 "shakujime" (one "shakujime"—12 cubic feet) of conifers and 100,000 "shakujime" of the others, their supply is to last 25 and 186 years respectively. By properly filling up the space of felling, permanent supply may be kept up.

Lumbering rails run for 41 miles from Kagi to Nimampei, on the slope of Arisan, the work being completed by the Government-General in January, 1913, at the cost of ¥4,900,000, after the failure of the Fujita Firm which undertook the work but gave it up after laying only 9 miles. The gauge is 30 inches with a maximum slope of 1 in 20. Along the line 68 tunnels exist and also three spiral sections and two switch-backs. The conversion work is done at Kagi where an extensive yard was constructed. The output of timber in 1937 was 69,919 cubic meters.

Hassenzan Forest.—The mountain, 7,824 ft. above sea-level and lying east of Taichu, harbours a primeval forest. The area to be exploited covers 84,971 hectares and is connected with the main traversing railway by a light line. It contains 680,000 cubic metres of conifers and 1,602,000 cubic metres of broad leaf trees, producing cut trees amounting to 27,175 cubic metres in 1937. The lumbering work was started in 1915.

Taiheizan Forest.—The forest area covers 65,855 hectares and is estimated to contain about 14,076,000 cubic metres of trees, twice as great a sylvan richness as Arisan, producing 50,763 cubic metres of timber as in 1937.

FISHERY AND MARINE PRODUCTS

The fishing industry, long left in a backward state, has recently made a marked improvement under official encouragement. The principal branches of the industry carried on at Keelung, Takao and Suo are bonito angling and trawl-line fishing of tunny and sword fish. Coral-reefs are found off the port of Keelung, and whale-fishing is carried on in the southern seas. The total catch of fish during 1937 amounted in value to ¥14,513,000.

Fish-culture in the island is under favourable circumstances owing to the warm climate which helps the rapid breeding of fish, and the method of rearing has also improved. The culture of fresh water fish is conducted on a large scale in the western coast of the island, and the area of the hatcheries all over the island is approximately 30,000 "ko".

The manufacture of marine products in the island has recently improved with the progress of bonito fishing. The total manufactures of marine products amounted to ¥2,324,009 in 1937.

Table 15. Aquatic Catches Classified in Taiwan

(in 1,000 Kwan: one kan=3.75 kilograms)

	Sardine	Bonito	Tai	Shark	Tunny	Sword-fish	Shell Fish	Shrimps	Cuttle fish	Coral	Weeds	Total incl. others (¥1,000)
1932 ...	1,512	969	328	1,603	808	868	16	106	146	2.6	136	9,197
1933 ...	2,258	1,173	569	1,493	813	858	42	123	212	2.4	64	10,807
1934 ...	2,834	1,572	430	1,854	857	1,190	53	129	186	1.2	83	11,452
1935 ...	2,651	1,386	415	1,936	869	1,131	62	166	245	3.7	67	13,640
1936 ...	2,898	1,284	483	2,031	1,348	1,054	409	151	306	5.3	97	14,934
1937 ...	1,788	1,262	456	2,214	1,459	1,150	248	178	123	2.8	86	14,513

Table 16. Marine Manufactures Classified

(Unit: Volume in 1,000 Kwan; one kan=3.75 kilograms)

	Foods (Volume)						Non-food (in ¥1,000)				
	Dried Bonito	Dried fish	Salted & Dried Fish	Boiled & Dried Fish	Salted Fish	Total value incl. others	Ferti lizer	Fish oil	Other Mfrs.	Total incl. others	Grand Total incl. others
1932 ...	14	118	22	585	45	1,441	12	20	68	104	1,545
1933 ...	20	159	27	743	43	1,691	12	43	148	218	1,909
1934 ...	44	163	85	841	167	2,102	8	13	161	189	2,291
1935 ...	78	166	39	1,118	21	2,023	14	29	218	270	2,293
1936 ...	92	109	30	1,160	191	2,206	9	25	243	294	2,500
1937 ...	87	104	24	882	81	2,110	13	30	161	214	2,324

MINERAL PRODUCTS AND MINING

The chief mineral products of Formosa are gold, silver alluvial gold, copper, coal, petroleum, sulphur, phosphorus, etc., mostly found in the northern districts. The total number of mining lots at the end of 1937 was 695 covering an area of 211,635,230 tsubo, of which 270 lots covering 108,507,446 tsubo are under operation. The total value of mineral output for 1936 was ¥28,726,000. Classified by the kinds of items the value of mineral production in recent years is tabulated as follows:—

Table 17. Principal Mineral Output

	Gold		Alluvial Gold		Gold Ore		Silver		Gold-silver-copper ore	
	(kg.)	(¥1,000)	(kg.)	(¥1,000)	(M. ton)	(¥1,000)	(kg.)	(¥1,000)	(M. ton)	(¥1,000)
1932	779	1,682	38	57	1,157	79	608	17	108,809	3,709
1933	599	1,581	53	95	805	67	231	8	115,693	3,773
1934	1,003	3,169	43	99	624	56	297	15	130,297	5,009
1935	1,132	3,494	26	62	232	20	329	22	169,469	6,326
1936	1,240	4,224	54	160	4,798	494	402	17	198,325	7,958

	Coal		Crude Oil		Volatile Oil		Sulphur		Carbon Black		Total incl. others
	(1,000 M. tons)	(¥1,000)	(Hectolitre)	(¥1,000)	(Hectollitre)	(¥1,000)	(M. ton)	(¥1,000)	(M. ton)	(¥1,000)	(¥1,000)
1932	1,355	6,571	52,219	246	129,721	994	535	37	731	206	14,223
1933	1,533	7,682	57,958	425	66,152	575	868	62	1,186	341	15,475
1934	1,521	8,470	55,771	309	70,317	417	1,079	75	1,367	488	19,470
1935	1,597	9,868	66,453	385	60,288	490	1,071	66	1,237	516	22,839
1936	1,744	11,365	...	...	...	...	1,226	..	...	...	28,727

Note: Later figures are not released public.

Distribution of Minerals.—Metal ores are confined to the districts from due north to the eastern parts of the island, coal to the northern and central parts, while petroleum is found in almost all parts of the island, especially in the central and southern parts. As for the proportions of principal minerals for 1936, coal comes first with 39% of the total production of minerals, followed by gold-silver-copper ore with 28%.

AGRICULTURE

The agricultural industry of Formosa has markedly developed since the island was occupied by Japanese, the area under cultivation at the end of 1937 being given as 883,257 ko, which compares with 363,390 ko in 1899, or a few years after the occupation of the island. Thus, the area under cultivation has doubled during this comparatively short period. It bears a proportion of over 24 per cent. to the entire area of the island and more than 40 per cent. to the area of the island minus the aboriginal districts.

Table 18. Area Under Cultivation
(In "ko"; 1 "ko"=0.97 hectare)

	Paddy	Upland	Total
1899	211,949	151,341	363,290
1907	328,540	345,982	674,522
1912	346,374	364,908	711,282
1917	330,468	412,517	742,985
1922	376,322	397,495	773,817
1927	399,151	422,322	821,473
1932	439,466	400,264	839,730
1933	450,485	394,955	845,480
1934	462,914	388,420	851,334
1935	493,535	363,240	856,775
1936	533,829	338,429	872,258
1937	544,437	338,819	883,257

The total value of farm products for 1937 reached ¥353,780,000. The number of people engaged in agricultural pursuits as at the end of 1937 was 2,880,410 or 427,379 households, which bears a percentage of about 52 to the total population of the island.

Rice is the most prominent farm product of Formosa. With the exception of the Pescadores, the whole island, especially the western districts is so well suited for rice culture that the crops are reaped twice a year. Due to the stenuous efforts made by the Government-General for improvement of seedlings and encouragement of cultivation, great development has been shown by the amount of crops, the quality of the cereal, the area under cultivation, etc. The rice crop for 1937 was roughly 9,233,127 koku, valued at more than ¥208,758,000. Rice is followed in importance by sugar cane and sweet potatoes. These are known as the three staple farm products of the island.

Table 19. Demand & Supply of Rice
(Unit: in 1,000 Koku)

	*Production	Balance of previous year	Import	Total supply	Exports Abroad	Exports Japan	Exports Total	Balance	Consumed
1914	4,530	...	72	4,602	1	621	622	...	3,979
1935	8,906	352	7	9,265	1	4,491	4,493	571	4,201
1936	9,532	571	7	10,111	0	4,788	4,788	689	4,634
1937	9,231	689	6	9,926	1	4,736	4,737	599	4,590
1938	9,707	599	15	10,321	77	4,801	4,878	610	4,833

Note: * Represents production of the year before, as rice is generally consumed during a year after its production.

Table 20. Production of Minor Crops

	Sweet Potatoes Kin (million)	Sweet Potatoes Value (¥1,000)	Ground Nuts Koku (1,000)	Ground Nuts Value (¥1,000)	Tobacco (M. ton)	Tobacco Value (¥1,000)	Jute Kin (1,000)	Jute Value (¥1,000)	Ramie Kin (1,000)	Ramie Value (¥1,000)
1932	2,389	19,373	521	2,512	1,279	762	7,654	660	1,441	338
1933	2,356	20,465	476	2,301	1,536	938	8,795	759	1,425	415
1934	2,609	21,890	566	2,833	2,140	1,239	15,817	1,144	1,654	549
1935	2,707	25,432	581	3,504	2,035	1,197	20,881	1,754	2,104	692
1936	2,869	28,321	596	3,932	2,216	1,554	14,973	1,444	2,297	574
1937	2,950	26,656	628	4,065	2,611	2,125	15,371	1,517	2,317	853

FRUITS

Bananas.—Bananas are the representative fruit of Formosa. They are grown in all parts of the island, especially in the two provinces of Taichu and Takao. The banana is an important article of export coming next to rice and sugar. The area under bananas in the whole island in 1937 was 22,500 ko and the total crop 364,315,195 kin approximately. About 90 per cent. of the crop was supplied by those two provinces. Roughly 75% of the output is exported, and the value of the exports in 1937 was ¥12,335,145.

Pineapples.—Next to bananas come pineapples, which have also been widely grown in the island from of old. The growing of pineapples, has made such marked developments in recent years that it is regarded as one of the very promising industries of the island. The number of the pineapples gathered in 1937 was 107,794,000 and the area under their cultivation was 7,969 "ko". The export of tinned pineapples for the year was 3,607,205 dozens valued at ¥9,219,957.

Oranges.—Oranges of superior quality are also produced in the island. In particular, Ponkan with the attractive colour and delicious flavor peculiar to southern countries is known as Ponkan of Taiwan to all fruit markets at home and abroad. The other principal varieties of oranges are Tankan, Sekkan, Buntan and Zabon. All these varieties are produced during the period from autumn to spring. The production of fruits in recent years is shown below:—

Table 21. Production of Fruits

	Bananas Kin (1,000)	Bananas Value (¥1,000)	Pineapples Pieces (1,000)	Pineapples Value (¥1,000)	Oranges Kin (1,000)	Oranges Value (¥1,000)	Longan Kin (1,000)	Longan Value (¥1,000)	Total (¥1,000)
1932	275,407	5,447	75,072	1,993	39,014	1,324	25,987	561	10,547
1933	292,556	5,702	86,800	2,043	39,285	1,430	8,282	331	10,771
1934	302,418	6,194	85,467	2,787	44,746	1,693	17,796	531	12,607
1935	322,469	6,593	87,119	2,627	43,368	1,672	4,223	196	12,510
1936	339,508	6,848	110,157	3,130	46,834	1,806	19,928	657	14,109
1937	364,315	8,133	107,794	3,115	43,985	1,966	2,569	134	14,956

SUGAR INDUSTRY

The new rulers endeavoured to improve the industry from the highly neglected state in which they found it. First they introduced the Hawaiian Rose Bamboo and Lahaina varieties, but afterward these were replaced by the P.O.J. varieties from Java.

Stimulated by Government encouragement, the industry has made great developments. In 1901-2 there was only one sugar factory with modern equipment and its capacity was limited to 300 tons. It was financed at a meagre amount of ¥1,000,000. In the year 1926-27 as many as 45 modern factories with a total capacity of 39,414 tons were in operation. The paid up capital involved in 1938 was ¥292,720,000. The sugar output of the whole island, which stood at only 90,000,444 kin in 1901-02, increased to 1,315,540,000 kin approximately, in 1928-29, which enabled the country to supply her requirements of sugar. In 1931-32 the production further increased to 1,648,410,000 kin, shattering all former high records. In 1933-34 it decreased to 1,078,310,000 kin due to the agreement on the reduction of sugar production. In the year ending October, 1937 it again created a record at 1,678,920,158 kin.

Table 22. Area and Output of Sugar Cane

Year Ending October 31:	Area (Ko)	Cane Output (Million Kin)	Output per Ko (1,000 kin)
1924	123	7,794	63
1934	91	8,884	97
1935	122	13,477	111
1936	128	13,190	103
1937	125	14,272	115
1938	...	....	...

Table 23. Demand and Supply of Sugar
(Unit: 1,000 piculs)

Year Ending Oct. 31:	Production	Imports Abroad	Imports Colonial imports	Exports Abroad	Exports Colonial Exports	Consumption Total	Consumption Per capita (kin)
1924	7,587	337	43.1	421.2	7,063	433.0	11.13
1934	10,784	0	69.8	9.8	10,085	758.7	14.60
1935	16,094	0	62.9	855.6	14,471	830.9	15.63
1936	15,025	..	59.2	477.9	13,741	868.4	15.93
1937	16,789	..	41.3	274.6	15,663	893.0	15.96
1938	16,496	..	41.1	1,321.8	14,280	931.9	..

TEA

Formosan teas consist of Oolong tea, Pouchong tea, Black tea, Green tea, etc. The first named three are the most important descriptions of tea produced in the island.

Oolong tea.—As a beverage possessing a special high flavour, Oolong tea is a great favourite in and about Boston and New York. It also goes to England where it is used to improve the flavour of black tea. The Oolong is admittedly superior in quality to black tea, and there is a good hope of its consumption abroad being increased when the taste of foreigners for the tea becomes more accustomed. The export of Oolong tea (exclusive of shipments to Japan) in 1937 was 3,198,064 kin in volume and ¥2,539,925 in value.

Pouchong tea.—The export of this description of tea (exclusive of shipments to Japan) in 1937 amounted to 3,781,000 kin in volume and ¥2,446,182 in value.

Black tea.—The manufacturing technique of black tea has recently made rapid progress. The export in 1937 was 9,682,321 kin in volume and ¥70,046,274 in value. Inclusive of all other varieties, the total tea export for 1937 was 18,603,827 kin, valued at ¥12,850,693, including exports to Japan of 1,691,157 kin valued at ¥1,443,835.

The area under and production of coarse tea are as follows:—

Table 24. Area Under and Output of Coarse Tea

	Area (Ko)	Output (1,000 kin)	Output (¥1,000)	Output Per Ko (kin)
1929	42,971	18,340	6,005	410
1932	42,097	14,704	2,609	349
1933	45,298	15,545	3,867	371
1934	42,470	18,392	7,547	433
1935	42,633	17,803	6,377	417
1936	42,978	18,081	7,422	421
1937	43,483	21,554	10,286	495

Note: 1 ko=0.97 hectares.
1 kin=600 grams.

Production of refined tea in recent years istabulated as follows:—

Table 25. Production of Refined Tea

(Quantity in 1,000 kin; Value in ¥1,000)

	Oolong		Pouchong		Green		Black		Total	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1931	6,723	2,845	7,103	5,071	33	15	1,101	392	14,960	8,324
1932	7,135	1,798	3,988	2,072	13	6	872	477	12,007	4,352
1933	6,351	2,055	5,257	1,809	14	6	1,477	773	13,100	4,644
1934	5,292	3,562	5,666	3,075	17	7	6,021	4,250	16,997	10,894
1935	5,280	3,538	5,685	3,086	13	6	5,490	3,964	16,468	10,594
1936	5,049	3,571	5,922	3,394	6	2	6,508	4,518	17,486	11,486
1937	3,487	2,871	4,905	3,163	1	1	10,562	7,418	18,955	13,452

Stock-farming and Poultry

Horned cattle.—Mainly divided into five kinds, i.e. buffalo, yellow, Indian, sheep-cattle, and domestic crossbreed, totalling 358,442 heads in number at the end of 1937, or an average of one head per every agricultural family. The buffalo which occupies approximately 80% of the total horned cattle is much utilized in farming work.

Swines.—Raising of swines in Formosa is very popular as a side work among farming families, average consumption of pork per capita exceeding 18 kilogrammes. The result of the Government-General's five-year plan which started in 1926 for improvement of breed shows that by the end of 1937 the total number of the animals had reached 1,849,195 heads or 4.2 heads per every farming family. The total number of animals slaughtered during the year ending 1937, was 1,187,342 heads representing ¥37,340,538 worth of meat.

Fowls.—Eggs of duck are more popularly consumed than chicken eggs in Taiwan. The total number of fowls at the end of 1937 was 9,461,587 of which 7,072,534 were chicken, 1,957,558 ducks, 401,503 geese and 29,992 turkey, or 22 fowls in every agricultural family.

Table 26. Statistics of Stock-breeding & Poultry

(a) No. of Animals

	Cattle (1,000)	Horses	Swines (1,000)	Goats (1,000)	Sheep	Chicken (1,000)	Ducks (1,000)	Geese (1,000)
1930	391	326	1,750	89	341	4,856	1,093	253
1931	383	301	1,739	93	307	5,050	1,343	263
1932	367	333	1,754	90	367	5,267	1,379	306
1933	386	347	1,806	87	313	5,747	1,496	320
1934	395	411	1,836	84	342	6,199	1,617	336
1935	390	533	1,873	78	257	6,466	1,772	371
1936	371	637	1,813	75	155	6,805	1,862	392
1937	358	924	1,849	70	166	7,073	1,958	402

(b) Output of Pastoral Products

	Beef		Pork		Milk		Hide		Total incl. others (¥1,000)
	(1,000 Kwan)	(¥1,000)	(1,000 Kwan)	(¥1,000)	(Koku)	(¥1,000)	(1,000 Kwan)	(¥1,000)	
1932	819	530	21,111	22,300	6,452	472	263	125	23,815
1933	845	537	19,844	24,110	7,014	539	329	177	26,676
1934	1,047	676	21,948	26,750	7,748	565	343	218	28,564
1935	891	733	23,907	30,959	8,383	599	294	219	32,713
1936	785	654	24,865	35,142	9,976	720	295	249	....
1937	...	...	....	37,340	....	...	...	...	....

Table 27. Slaughter House Returns

	No. of Houses	Cattle		Swines		Goats		Total incl. others (¥1,000)
		Head	Value (¥1,000)	Head	Value (¥1,000)	Head	Value (¥1,000)	
1932	892	22,354	530	1,064	22,300	37,473	163	22,994
1933	886	25,271	537	1,004	24,110	30,891	143	24,790
1934	909	26,730	676	1,074	26,750	31,878	132	27,558
1935	881	28,519	733	1,158	30,959	26,270	129	31,821
1936	892	23,579	654	1,196	35,142	23,417	127	35,922
1937	883	28,105	872	1,187	37,341	21,740	123	38,336

MONOPOLY

The monopoly system was first instituted in Formosa in regard to opium in 1896 and was subsequently extended to salt and camphor in 1899 and to tobacco in 1905. Further, the monopoly of saké was established in July, 1922. The monopolizing of these industries was due not only to financial necessity, but also from consideration that it would be beneficial to public health, welfare and productive industries.

Opium.—At the beginning of the Japanese possession of Formosa, the question which attracted most attention at home and abroad in the administration of the island was the prohibition of opium smoking. In February, 1896, with the prohibition of the importation of opium by private persons, an opium-dose factory was established. In January, 1897, was issued the Formosa Opium Ordinance, by which opium-smoking and dose-manufacture were strictly prohibited; smoking licenses were granted only to such as the Government deemed to be confirmed smokers, who were permitted to purchase and smoke as medicines the doses manufactured by the Government. Government permission was required in all cases for the sale of opium doses, the opening of opium dens, and the manufacture and sale of opium-smoking utensils. The Ordinance was put in operation in April of the same year. The number of licensed smokers and output of opium have in recent years decrease as the output of 1st grade opium increased in place of the 3rd grade which has been prohibited sale since August 1927. Statistics are as follows:—

Table 28. Output of Opium

Year Ending Mar. 31:	(Grams)	(Yen)
1903	130,723,125	3,008,386
1915	99,934,500	5,226,437
1923	51,828,000	5,449,345
1927	39,872,250	4,193,487
1933	26,136,075	2,819,388
1934	21,553,200	2,350,363
1935	19,668,600	2,146,692
1936	18,975,600	2,071,934
1937	17,434,800	1,903,880
1938	16,387,200	1,789,482

Table 29. Amount of Raw Opium Holdings By the Taiwan Government

End of March:	Quantity (Kgs.)	Value (¥1,000)
1928	58,305	1,959
1932	69,778	1,665
1933	69,380	1,835
1934	62,402	1,815
1935	54,271	1,673
1936	42,456	1,342

Table 30. No. of Licensed Opium-smokers

	Natives		Chinese		
	Male	Female	Male	Female	Total
1915 ..	62,156	9,559	1,311	31	76,236
1932 ..	16,278	3,254	174	17	19,723
1933 ..	14,841	2,979	155	16	17,991
1934 ..	13,453	2,737	138	15	16,343
1935 ..	12,178	2,466	128	15	14,787
1936 ..	11,023	2,255	116	13	13,407

Salt.—The Government has given great encouragement to the improvement and increase of salt-fields and the raising of the quality of salt with good results since 1899, when the present system was brought into operation in order to regulate the abandoned salt-fields and the price of salt which were left quite uncared for. The price of salt in the island was made uniform, its supply became abundant, and the surplus is now exported to Japan proper, Korea, Karafuto, the Russian Maritime Province and other places. The total area of salt fields in 1937 is given as 2,039 hectares and the output for the year as 209,740 m. tons. The demand for salt in the island and the export to Japan proper are shown in the following table:—

Table 31. Statistics of Salt Industry

	Area of Salt Fields (Hectares)	No. of Producers	Production		Sales	
			Volume (M. tons)	Value (¥1,000)	To Japan Proper (M. tons)	To other countries (M. tons)
1932	1,645	5,450	122,330	1,014	105,660	26,450
1933	1,583	5,207	191,935	1,536	86,300	17,292
1934	1,618	5,333	191,105	1,609	81,399	12,890
1935	1,618	5,031	148,320	1,327	88,151	11,210
1936	1,617	4,322	225,053	1,628	82,353	48,681
1937	2,039	....	209,740	....	....	....

Camphor.—Before the establishment of the monopoly system in 1899 when Formosa became a Japanese possession, the manufacture of camphor in the island was maintained by reckless felling of the trees which were abundant and by crude manufacture. Since then, with the adoption of various measures for the promotion of the industry, the monopoly has been placed on a firm basis. The annual yield is about 3,000,000 kilogrammes claiming about 70% of the total output of natural camphor. The value of sales amounts to about seven to eight million yen annually, the chief customers being America, England and France. The article is chiefly used as raw material for manufacture of refined camphor and celluloid. Competition from German synthetic camphor has been especially severe in late years.

Tobacco.—At the time of the creation of the monopoly system, raw material was for the most part brought from China, and its manufacture was carried on by private contract up to 1912, when it was taken over by the Government. The climate of Formosa is very suitable for the cultivation of tobacco, and as the result of the improvement and development of tobacco cultivation due to the encouragement of the Government since the introduction of the monopoly system, Formosa now produces excellent leaf tobacco which may be used for cut tobacco. The species cultivated at present are the Chinese, the yellow and cigar tobacco.

Table 32. Statistics of Tobacco Monopoly

Year ending Mar. 31:	No. of Cultivators	Area of Plantation (Hectares)	Volume of Crops (Kilograms)	Government's Purchase price (¥1,000)	Output: Cut Tobacco (Kilograms)	Output: Cigarettes (1,000 pcs.)	Output: Cigars (1,000 pcs.)	Total Sales Value incl. Imported Stuff (¥1,000)
1922	12,577	1,328	1,937,920	1,037	1,326,480	53,283	240	11,532
1926	5,192	704	998,932	604	1,320,001	129,643	198	12,456
1933	3,606	723	1,279,487	762	1,074,859	341,664	437	14,789
1935	3,668	922	2,140,455	1,239	1,024,542	539,540	538	16,552
1936	3,498	1,042	2,004,749	1,202	990,960	742,469	665	18,428
1937	3,367	1,221	2,223,910	1,558	945,492	795,705	645	20,375
1938	3,304	1,511	2,611,461	2,125	911,782	979,742	661	23,352

Saké.—There are but few countries in the world where alcoholic liquors are controlled as a government monopoly, and as this was a novel attempt in Japan and its working was to furnish an important example, the utmost efforts were made to carry it to success. In view of the present condition of the island the brewing of alcohol and beer and the sale of the latter are left to private management. But, as in the case of all other alcoholic beverages, their manufacture and sale are managed directly by the Formosan Government-General. The sales of alcoholic beverages in 1937 amounted to 387,676 hectolitres, valued at ¥26,019,228. Below are given statistics showing the figures of the output, and the import from Japan proper and from foreign countries:—

Table 33. Demand & Supply of Alcoholic Liquor

(Unit: Hectolitre)

Year ending Mar. 31:	Local Production	Import from: Japan Proper	Import from: Others	Total Supply	Total Sales: Quantity	Total Sales: Value (¥1,000)
1932	479,556	22,951	989	503,506	258,995	12,660
1933	416,074	23,441	744	440,259	....	....
1934	536,533	41,574	2,006	580,113	297,885	14,769
1935	585,272	62,905	1,338	649,515	365,696	18,608
1936	682,817	72,690	2,394	757,901	400,893	20,964
1937	681,657	86,403	2,648	770,708	447,313	24,151
1938	700,205	91,317	1,803	793,325	387,676	26,019

FOREIGN TRADE

The overseas trade of Formosa, which stood at only a little more than ¥30,000,000 in 1897, or a few years after Japan's occupations of the island, increased to ¥75,059,000 in 1938. Of the value of the trade for the year under review, ¥36,350,000 was accounted for by exports and ¥38,709,000 by imports.

Table 34. Foreign Trade of Taiwan

(In ¥1,000)

(a) General

	With Japan Proper: Exports	With Japan Proper: Imports	With Japan Proper: Total	With Other Countries: Exports	With Other Countries: Imports	With Other Countries: Total
1930	218,633	123,127	341,760	22,808	45,131	67,940
1931	201,424	114,763	316,187	19,449	30,859	50,308
1932	222,683	133,457	356,140	18,045	31,004	49,086
1933	230,747	149,912	380,659	17,666	35,477	53,143
1934	279,410	176,991	456,401	26,518	38,031	64,549
1935	314,200	218,141	532,341	36,544	44,979	81,523
1936	358,895	243,832	602,727	29,054	48,854	77,908
1937	410,259	277,895	688,154	29,916	44,229	74;145
1938	420,104	327,950	748,054	36,350	38,709	75,059

(b) Outflow and Inflow of Bullion

	With Japan Proper: Exports	With Japan Proper: Imports	With Japan Proper: Total	With Other Countries: Exports	With Other Countries: Imports	With Other Countries: Total
1930	195,740	....	195,740	....	1,571,857	1,571,857
1931	221,000	....	221,000	....	1,060,676	1,060,676
1932	....	....	....	....	10,100	10,100
1933	199,000	....	199,000	5,934	800	6,735
1934	....	....	....	48,936	456,392	505,328
1935	....	....	....	1,925,258	11,162,810	13,088,068
1936	939,167	42,680	981,847	54,035	1,582,474	1,636,509
*1937 (1st half) ...	....	....	....	....	201,874	201,874

Note: Publication of figures suspended from July, 1937.

The trade of Formosa with Japan has steadily developed, while its trade with foreign countries has been somewhat stagnant. The value of the trade, which was ¥4,800,000, approximately in 1897, attained the three hundred million yen level in 1921, the four hundred million level in 1934 and further rose to ¥688,000,000 in 1937 and to ¥748,000,000 in 1938. This enormous expansion of the trade may be attributed to various causes such as the growing enhancement of transport facilities, industrial development, cultural advancement, a rise in commodity prices, etc. In the case of imports, the most prominent cause is protection afforded by the Customs tariff, which had been revised more than once. The export trade has developed with the expansion of the output of sugar and rice, which constitute two major products of the island. No small contribution has also been made to the development of the export trade by an increase in the output of such goods as bananas, headwear, timber, ores, copper, tinned pineapples, alcohols, camphor, camphor oil, raw fish, salt, etc. The import trade owes much of its development to an expansion of the output of cotton tissues, iron, fertilizer, timber, aquatic products, paper, tobacco, spirits, rice, wheat flour, vehicles, machinery, matches, cement, gunny bags, petroleum, woolens, knitted underwear, materials for hat making, etc.

Table 35. Principal Exports of Taiwan

	Rice (1,000 kin): Abroad	Rice (1,000 kin): Japan	Rice: Total (¥1,000)	Bananas (1,000 kin): Abroad	Bananas (1,000 kin): Japan	Bananas: Total (¥1,000)	Oolong Tea (1,000 kin): Abroad	Oolong Tea (1,000 kin): Japan	Oolong Tea: Total (¥1,000)
1932	618	879,643	63,134	5,127	154,748	7,144	6,361	27	2,833
1933	722	905,745	64,676	15,755	194,153	8,256	6,665	8	2,903
1934	1,218	1,210,792	101,926	30,148	175,087	8,811	5,073	7	3,126
1935	320	1,024,219	105,581	31,142	195,510	10,243	6,624	10	3,825
1936	69	1,145,780	124,318	23,156	203,731	11,165	4,668	6	2,961
1937	200	1,146,317	126,178	24,711	236,589	12,335	3,198	13	2,550

	Pouchong (1,000 kin): Abroad	Pouchong (1,000 kin): Japan	Pouchong: Total (¥1,000)	Sugar (Million kin): Abroad	Sugar (Million kin): Japan	Sugar: Total (¥1,000)	Canned Pineapple (1,000 dozens): Abroad	Canned Pineapple (1,000 dozens): Japan	Canned Pineapple: Total (¥1,000)
1932	3,255	405	1,975	71	1,397	124,893	89	2,598	5,391
1933	3,673	375	1,933	10	983	119,178	152	2,354	5,150
1934	4,677	478	2,821	2	1,102	122,444	210	2,122	5,070
1935	4,621	538	3,031	94	1,425	151,533	323	3,204	8,078
1936	3,907	505	2,483	39	1,427	166,116	710	2,463	7,244
1937	3,781	465	2,611	37	1,490	191,546	722	2,975	9,220

(Continued)

	Camphor (1,000 kin)			Mineral Ore (1,000 kin)			Timber (1,000 cubic shaku)		
	Abroad	Japan	Total (¥1,000)	Abroad	Japan	Total (¥1,000)	Abroad	Japan	Total (¥1,000)
1932	1,563	814	2,511	..	203	4,954	33	999	1,804
1933	2,928	1,010	4,137	..	244	6,144	240	1,217	2,384
1934	2,033	1,888	4,558	..	233	7,493	1,217	1,086	2,407
1935	1,604	1,827	4,399	..	176,548*	9,835	288	762	1,514
1936	1,186*	1,309*	5,333	..	231,810*	15,637	67	985	2,075
1937	827*	1,998*	4,476	..	..	..	39	846	2,137

Note: * Indicates metric tons: 1 kin=0.6 kilogram.
1 cubic shaku=0.983 cubic ft.

Table 36. Principal Imports of Taiwan

	Wheat (1,000 kin)			Fish, Dried & Salted (1,000 kin)			"Sake" (1,000 doz.)	
	Abroad	Japan	Total (¥1,000)	Abroad	Japan	Total (¥1,000)	Japan	Total (¥1,000)
1932	..	33,584	2,717	5,492	32,751	3,470	238	2,195
1933	..	27,883	2,711	4,965	29,010	3,783	270	2,499
1934	..	36,460	3,414	7,953	31,675	4,367	332	3,072
1935	..	1,267*	4,530	10,187	37,568	5,410	2,738†	3,146
1936	..	1,285*	5,511	8,913	37,336	5,519	3,488†	4,029
1937	..	1,041*	5,084	7,148	38,336	5,597	3,186†	3,959

	Cigarettes (1,000 packages)			Cotton & Silk Fabrics (¥1,000)			Gunny Bags (1,000 bags)		
	Abroad	Japan	Total (¥1,000)	Abroad	Japan	Total	Abroad	Japan	Total (¥1,000)
1932	3,933	829,150	1,845	148	13,358	13,506	4,723	8,965	3,608
1933	4,450	894,160	1,932	26	15,106	15,132	7,009	7,903	5,208
1934	697	889,520	1,840	9	17,250	17,259	8,669	9,788	6,469
1935	7,646	1,051,450	7,256	3	20,265	20,268	8,626	8,428	6,650
1936	16,072	968,360	6,681	3	19,325	19,328	8,607	7,073	5,857
1937	16,189	1,036,360	7,913	0	21,635	21,635	7,048	8,303	5,811

	Paper (¥1,000)			Iron (One Million kin)			Iron-ware (¥1,000)		
	Abroad	Japan	Total	Abroad	Japan	Total (¥1,000)	Abroad	Japan	Total
1932	40	3,471	3,501	9.7	98	8,908	2.6	2,935	3,937
1933	19	3,970	3,989	8.8	104	11,213	4.6	3,761	3,766
1934	16	4,516	4,532	7.7	109	12,301	—	1,368	1,368
1935	16	5,061	5,077	10.6	159	16,042	—	914	914
1936	16	5,414	5,430	11.3	174	16,796	0.4	2,465	2,466
1937	34	6,399	6,373	..	..	....	..	......	....

	Automobile Parts (¥1,000)			Bean Cake (in Million kiu)			Sulphate of Ammonia (1,000 kin)		
	Abroad	Japan	Total	Abroad	Japan	Total (¥1,000)	Abroad	Japan	Total (¥1,000)
1932	..	1,461	1,461	335	..	10,342	65,113	86,718	5,886
1933	..	1,725	1,725	316	..	11,593	66,915	102,947	9,380
1934	24	3,622	3,646	375	2.7	12,285	98,920	126,930	13,168
1935	33	5,051	5,084	352	0.6	14,641	85,387	162,563	16,341
1936	14	5,457	5,471	330	3.2	14,951	58,461	232,131	18,300
1937	..	....	....	253	584§	13,633	22,855	176,601§	20,063

Note: * In 1,000 bags. † In 1,000 litres. § In metric tons.

Table 37. Foreign Trade Classified By Countries
(Unit: ¥1,000)

	China		Manchoukuo		Kwantung		Hongkong	
	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
1932	6,534	15,621	27	4,020	1,973	913	2,670	31
1933	4,746	6,671	354	16,604	1,625	956	2,131	55
1934	8,375	6,713	439	16,617	2,896	1,393	2,909	33
1935	13,046	6,938	380	21,806	4,113	1,772	6,554	30
1936	7,879	8,622	850	19,618	4,008	6,879	2,667	126
1937	5,574	6,201	1,356	17,185	4,903	7,088	3,333	95
1938	7,972	1,954	5,180	17,817	14,144	7,891	700	6

(Continued)

	D.E.I.		French Indo-China		Thai		U.K.		France	
	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
1932	1,601	1,622	4	..	115	1,390	605	598	390	22
1933	1,095	1,389	161	69	299	365	1,122	360	434	43
1934	1,546	1,542	339	108	417	160	1,754	2,078	258	15
1935	1,234	1,769	303	116	511	235	1,273	1,307	192	142
1936	370	1,843	272	172	628	207	1,372	392	241	51
1937	325	3,282	280	578	663	207	2,095	792	250	96
1938	242	2,101	157	113	106	32	1,504	204	221	131

	Germany		U.S.A.		Canada		Total incl. others	
	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
1932	23	1,941	3,456	1,548	5	270	18,045	31,041
1933	39	3,391	4,719	1,841	8	82	17,666	35,477
1934	59	3,705	5,466	2,201	76	1	26,518	38,031
1935	5	3,506	5,664	3,018	18	145	36,544	44,979
1936	84	3,327	6,142	2,908	121	446	29,054	48,854
1937	83	1,203	6,420	2,931	224	280	29,916	44,229
1938	239	1,165	4,136	2,550	67	18	36,350	38,709

PUBLIC WORKS

When China was in possession of the island, any roads that were found in the island had been built by wealthy individuals. The progress of road-making in recent years is tabulated below:—

Table 38. Statistics of Roads and Bridges in Taiwan

	Roads				No. of Bridges				
	Width under 3.64 m.	Under 7.27 m.	Over 7.27 m.	Total length (kilometers)	Length under 9.09 m.	Over 9.09 m.	Over 36.3 m.	Total No.	Total length (meters)
1899	6,049	521	164	6,734	....	....	...	1,378	11,660
1914	8,823	2,959	281	12,064	7,320	944	223	8,487	61,056
1934	6,743	4,939	4,223	15,905	7,353	1,419	345	9,117	92,214
1935	6,938	5,107	4,456	16,501	7,311	1,401	357	9,078	93,051
1936	2,949	3,690	10,341	16,980	7,801	1,463	376	9,640	91,981

Harbour Works

Of the harbour-works in hand the more important are those at Keelung, Takao, Suwo and Karenko. As the result of rapid increase in ingress and egress of steamers since 1908, improvement of Keelung harbour-work was first started in 1912 with a fund of ¥5,170,000. This plan, however, met various troubles such as the Government's financial readjustment, outbreak of the World War and technical difficulties, causing discontinuation of work several times. In 1935 further additional harbor construction was authorized on a 9-year programme ending in the fiscal year 1943, total expenditure appropriated for the work being ¥7,795,440 to which ¥3,241,000 was added by a supplementary budget of 1937-38. Takao harbor is expected to be completed in 1941-42. From 1908-9 to 1935-36 an expenditure of ¥30,890,000 was required. The total expenses required for this work up tc the end of March 1938 amounted to ¥35,400,000. Harbor construction of Suwo was first started in 1906 and after several changes in the plan the work will be completed in 1942. By the end of March, 1938, the sum of ¥32,500,000 was already spent for the work.

Water-Works

Water-works, large and small, supply water at 93 places, as at the end of March, 1938. The general expenditure involved amounts to ¥21,377,000 (inclusive of extension) and the estimated number of people to be supplied with is 1,162,700. Besides, there are four under construction and two under extension.

Irrigation is costing a great deal of money to the Government-General and islanders among whom the idea of supplying water to cane-fields and farms subject to drought existed from olden time. In 1908 the Government-General started the 16 year irrigation work at the estimate of ¥30 millions, but as it was decided to help private irrigation with ¥12 million out of the fund the scope of the Government undertaking has been reduced accordingly. The Government is repairing and improving the existing irrigation works with the fund and also is using it for water-power generation. Already 34,592 "ko" of farms have been irrigated and some 7,200 h.p. of electric power has been secured by utilizing the headwater.

COMMUNICATIONS

Post, Telegraph and Telephone

The postal service was for the first time opened in April, 1895, when prior to the restoration of peace between Japan and China, the Japanese army occupied Boko-to (Pescadores) and established there a military field post office; but when the civil administration was set up in April, 1896, the postal service for the general public was also opened under the control of the Minister of Communications, and the handling of foreign mails was begun from August, 1896. In October, 1900, the Postal Law, the Railway and Marine Postal Law, the Postal Money Orders Law, the Postal Savings Law and the Telegraph Law, all in force in Japan proper, were brought into operation in the island. The Wireless Telegraph Law was effected in November, 1915. With respect to the telephone service, the Taiwan Telephone Exchange Law was promulgated in April, 1900. The service was first opened between Taihoku and Tainan in July of the same year. Since then the system has been put in complete working order. Radio broadcasting was also started in 1928.

Table 39. Statistics on Mails and Parcels

Year Ending Mar. 31:	Ordinary mail matters (1,000)		Parcels (1,000)		Telegrams (1,000)			No. of telephone subscribers
	Accepted	Delivered	Accepted	Delivered	Despatched	Delivered	Total	
1931	66,793	78,453	677	1,247	1,491	1,533	3,024	12,746
1932	67,133	76,362	640	1,212	1,484	1,547	3,031	13,645
1933	70,177	81,993	648	1,231	1,566	1,634	3,200	15,110
1934	75,748	85,681	641	1,145	1,534	1,619	3,153	15,416
1935	78,211	93,086	661	1,174	1,672	1,728	3,400	15,784
1936	89,505	100,601	727	1,224	1,902	1,994	3,896	16,371
1937	91,716	110,520	726	1,267	1,874	1,970	3,845	17,259
1938	82,271	78,887	783	1,309	2,067	2,116	4,183	19,161

	Foreign money orders (issued)		Domestic money orders (issued)		Postal Savings		
	No.	Amount (¥1,000)	No.	Amount (¥1,000)	No. of depositors	Amount (¥1,000)	Amount per depositor (¥)
1931	14,457	406	976,257	26,937	516,040	15,074	31.15
1932	10,138	266	992,073	25,990	484,073	17,855	36.89
1933	7,827	223	1,042,360	27,551	494,847	18,147	36.67
1934	10,216	301	1,051,049	27,735	511,482	19,207	35.55
1935	13,114	385	1,085,448	29,147	544,983	21,367	39.21
1936	16,709	476	1,138,735	31,991	574,423	23,682	41.23
1937	27,788	804	1,201,572	34,923	604,373	25,925	42.90
1938	11,692	367	1,256,584	37,274	633,053	27,106	42.82

RAILWAYS

Government Railways.—It was not until the cession of Formosa from China to Japan that the island began to enjoy railway facilities, for, prior to that time, the only railway existing in the island was a small light railway between Keelung and Shinchiku built at the time of the Shin dynasty of China. Soon after the cession, the Governor-General of Formosa brought forward a plan, with the approval of the Diet, to build a railway connecting Takao with Keelung at the expense of ¥28,800,000. The work of construction was started in 1889 from both terminals and finished in April 1908. This line now forms the trunk line in the insular railway system. The construction of that pioneer railway line was soon followed by the building of other lines, that is, the Kyukyokudo-Heito section (Choshu line) completed in 1912, the Taito line in 1917 and the Giran line in 1924, while many others have been built in rapid succession since then, so that the total length of Government lines operated reached 1,040 kilometres, at the end of March 1938.

Private Railways.—Most of the private railways existing in Taiwan were originally constructed by sugar refining companies for transporting sugar canes and other materials, transportation business being conducted only as a side work. The exception to this were the Taihoku Railway Company, which operated the Manka-Shinten Railway of 6.5 miles, and the Taichu Light Railway line of 8.1 miles. The total working length of private lines open to business on March 31, 1938, was 2,515 kilometres. The number of passengers carried was 4,196,000 and the total tonnage of goods hauled 4,870,000 m. tons.

Tramways.—The tramways, which form an important factor in the insular communication system, have made a marked development in recent years, the total length of lines in operation at the end of March 1938, being 1,038 kilometres, the number of passengers carried 2,302,000 and goods hauled 457,146 tons, the total receipts reaching ¥1,285,627.

Table 40. Results of Railways

(a) Government Railways

Year ending Mar. 31:	Mileage open to traffic (Kilometres)	Number of Passengers carried (1,000)	Number of Goods Hauled (1,000 M. tons)	Number of Parcels (M. tons)	Receipts Passengers (¥1,000)	Receipts Wagons (¥1,000)
1930	998	20,580	5,209	10,495	8,431	12,047
1934	1,003	17,351	5,154	14,283	7,053	11,957
1935	999	18,344	5,796	14,997	7,526	13,576
1936	1,002	20,723	6,330	15,886	9,157	14,732
1937	1,002	21,680	7,208	16,863	9,229	16,504
1938	1,040	23,290	7,345	18,981	9,911	16,656

(b) Private Railways

Year ending Mar. 31:	Mileage open to traffic (Kilometres)	Number of Passengers carried (1,000)	Number of Goods Hauled (1,000 M. tons)	Number of Parcels (M. tons)	Receipts Passengers (¥1,000)	Receipts Wagons (¥1,000)
1930	2,156	4,362	3,914	....	915	2,314
1934	2,292	2,981	2,744	....	442	1,636
1935	2,352	3,189	2,956	....	439	1,893
1936	2,371	3,838	4,418	....	508	1,963
1937	2,441	4,069	4,716	....	532	1,845
1938	2,515	4,196	4,870	....	544	1,862

(c) Tramways

Year ending Mar. 31:	Mileage open to traffic (Kilometres)	Number of Passengers carried (1,000)	Number of Goods Hauled (1,000 M. tons)	Number of Parcels (M. tons)	Receipts Passengers (¥1,000)	Receipts Wagons (¥1,000)
1930	1,239.7	5,251	803	....	868	1,551
1934	1,247.5	3,304	671	....	522	1,129
1935	1,232.6	3,086	716	....	514	1,149
1936	1,218.3	3,258	571	....	463	1,138
1937	1,182.2	2,461	503	....	345	1,954
1938	1,038.4	2,302	457	....	327	958

Table 41. Important Goods Hauled by the Government Railways

(In 1,000 Metric tons)

Year ending Mar. 31:	Coal	Sugar	Rice	Sugar cane	Lumber	Fertilizer	Charcoal	Tea	Camphor oil	Ceramic
1909	37.9	90.1	160.1	38.2	55.1	16.0	21.1	16.8	9.2	24.2
1923	856.6	471.7	271.2	149.0	126.4	167.6	47.4	32.8	10.2	37.4
1927	1,069.6	514.2	555.7	144.1	167.1	335.1	462.5	39.3	11.3	67.1
1930	979.6	849.3	515.3	189.3	222.7	360.0	34.0	33.3	15.6	116.9
1933	914.1	786.8	729.1	145.1	226.2	407.7	25.8	15.6	10.4	102.8
1934	1,069.1	634.0	760.1	101.8	227.4	429.6	32.2	19.0	10.9	87.3
1935	1,077.7	783.1	935.5	146.4	240.8	532.1	32.7	20.2	11.9	118.8
1936	1,216.2	924.5	801.6	181.7	318.5	541.4	23.7	18.4	11.3	126.7
1937	1,291.9	959.1	953.0	163.3	343.3	576.1	24.6	18.8	10.5	128.0
1938	1,400.5	948.8	859.9	176.6	313.6	576.3	26.5	18.2	9.6	87.5

BANKS AND OTHER FINANCING INSTITUTIONS

Banks.—The necessity of establishing a special bank was recognized for the development of industry and commerce after the island became Japanese territory and in 1899 the Bank of Taiwan was brought into being. The Nippon Churitsu Bank had already established its sub-branch offices in the islands. In 1899, the Bank was amalgamated with the Thirty-fourth Bank and became a branch office of the latter. The Taiwan Savings Bank was established in the same year, it being followed by the establishment of the Kagi Bank in 1904, the Shoka Bank in 1905 and the Taiwan Commercial and Industrial Bank in 1910. In 1920 another Kagi

Bank under joint stock organization was formed to take over the business of the Kagi Bank which had been in the form of partnership. In 1921, the Taiwan Savings Bank was established.

In 1922, the Hypothec Bank of Japan established a branch office at Taihoku to carry on the business of granting credit on real estate and of making loans to public corporations or corporate societies, thereby facilitating agricultural finance.

The aggregate authorized capital of those banks, whose head offices are in the island as at the end of June 1938 is given as ¥28,300,000 of which ¥20,670,000, approximately, is paid up. The deposits of the banks are ¥188,990,000 approximately (inclusive of savings deposits for ¥13,010,000) and advances ¥307,450,000, bills of exchange bought and sold ¥1,440,730,000 and ¥1,402,370,000, respectively. The outstanding note issue of the Bank of Taiwan at the end of June, 1938 was ¥105,440,000 approximately. Of this amount ¥2,000,000 represented the issues beyond the taxable limit.

Table 42. Capitalization of Cos. Classified by Industries

	Capital (¥1,000)	%	Per Co. (¥)
Agriculture ...	12,337	2.08	158.2
Aquatic	3,889	0.65	259.3
Mining	48,416	8.16	2,017.3
Mfg. Ind.	354,228	59.74	1,076.7
Commerce	154,343	26.03	241.5
Transportation .	19,717	3.32	134.1
Total	592,931	100.00	481.3

Credit and Industrial Associations.—There are two kinds of credit associations, viz., town credit associations and village credit associations. The number of the former associations at the end of June of 1938 was 22 with the authorized capital of ¥3,420,000 of which ¥3,270,000 was paid up. The savings were ¥20,460,000, reserves ¥2,210,000, various funds ¥830,000, borrowings ¥330,000, advances ¥18,640,000, bills discounted ¥590,000.

At the end of June, 1938 there were altogether 456 credit associations other than those for towns people. Some of these associations were engaged in other forms of business as additional occupations. Investigations into 400 of these associations conducted by the Government-General show that the authorized capital was ¥14,500,000, of which ¥12,380,000 was paid up, reserves ¥10,640,000, savings ¥63,730,000, borrowings ¥23,810,000, advances ¥82,290,000, sales of products ¥25,460,000, sales of goods purchased ¥12,220,000, surplus ¥2,480,000. As may be gathered from the figures, these associations are contributing much towards the recovery of the economic life of the farming districts, while serving as an organ for monetary circulation for the populace.

The industrial associations have been slower in development than the credit associations owing to the difficulty and complicacy of the management. At the end of June 1938 there were 56 of these associations, with an authorized capital of ¥1,320,000, approximately, of which ¥790,000 was paid up, reserves ¥620,000, borrowings ¥940,000, sales of products ¥6,130,000, sales of goods purchased ¥6,100,000, charges for utilization ¥110,000, surplus ¥160,000.

Mujin (Mutual Loan Associations).—The legislation on "mujin" was put in force in March 1916. At the end of June, 1938 there were three joint-stock companies engaging in this line of business with nine branches and six line of business with nine branches and six agencies throughout the island. Their authorized capital was ¥850,000, of which ¥387,500 was paid up.

Insurance Business.—At the end of 1936 there were in the island 27 life assurance offices (inclusive of 4 conscript insurance offices) and 33 property assurance offices. These are all branches or sub-branches or agencies of the companies having head offices in Japan Proper, with the single exception of the Taisei Fire and Marine Insurance Company.

Life contracts in force at the end of 1936 was 225,282 amounting to ¥320,943,000; fire contracts were 73,577 amounting to ¥447,423,000.

Formosa Development Company, Limited

The Formosa Development Company was established on November 25, 1936 in accordance with the Formosa Development Company Law which was passed by the 69th session of the Imperial Diet in May, 1936. The capital of the Company is ¥30,000,000 in 600,000 shares of ¥50 each. A half of this amount of capital is put up by the Government in the shape of property, or land.

The comany has its head office at Taihoku and an agency in Tokyo. The business of the company consists of the followings:—

(1) Agriculture, forestry, aquatic and agrarian enterprises, which are necessary for colonization.

(2) Acquisition, management and disposal of land (inclusive of the rights involved) which may be necessary for colonization.

(3) Management and supervision of land on trust.

(4) Such immigration affairs as may be found necessary for colonization.

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(5) Supply of goods necessary for colonization to farmers, fishermen, or immigrants, purchase or sale of their products, or improving on them.

(6) Supply of funds necessary for colonization.

(7) Such businesses as may be ancillary to those enumerated above.

(8) Businesses which are other than those itemized above but which are necessary for colonization.

Table 43. Affiliated Cos. of the Taiwan Development Co.

(1938)

Name:	Business	Capital (¥1,000) Authorized	Capital (¥1,000) Paid-up	Shares	Owned by Taiwan Develp. Co. shares	Owned by Taiwan Develp. Co. paid-up
Taiwan Raw Cotton Co. ..	Purchasing of raw cotton & ginning	3,000	750	60,000	60,000	750
Taiwan Marine Transports Co.	Express	250	125	5,000	400	10
Taito Development Co. ..	Laborers' employment agency	150	37.5	3,000	200	2.5
Taiwan Kokusan Motor Car Co.	Manufacture and sales of automobiles and parts ..	500	250	10,000	1,000	25
Fukudai Konsu	Various enterprises in South China	3,000	750	60,000	10,000	125
Taiwan Chikusan Kogyo K.K.	Sales and manufacture of stock-breeding products .	5,000	1,250	100,000	67,000	837
Nanho Industrial Co. ...	Forestry development and timbering in Nanyo	400	200	8,000	720	18
Nanko Konsu	Exports of Formosa's monopolized goods and raw materials	450	135	9,000	4,600	69
South Japan Salt Industrial Co.	Manufacture and sales of salt and its by-products ..	10,000	4,000	200,000	60,000	1,200
Nanho Metallic Co.	Refinery of minerals and sales	10,000	5,000	200,000	5,000	125
Hoshi Quinine Ind. Co. ..	Plantation of bark-trees and other medical plants	250	250	5,000	5,000	250
Taiwan Wild Silk Co. ...	Production of wild cocoon and fishing gut	500	125	10,000	5,000	62
Taiwan Pulp Ind. Co. ...	Processing and manufacture of pulp	10,000	2,500	200,000	500	6

References:

Table Nos.: 1-5 a, 6-7 b, 11-18 a, 19 c, 20-21 a, 22-23 d, 24-42 a, 43 e.

Key: a—Taiwan Govt.-Gen.
b—Dept. of Finance.
c—Dept. of Agriculture & Forestry.
d—Sugar Producers' Assn.
e—Taiwan Development Co.

CHAPTER XLIII

KARAFUTO (Southern or Japanese Saghalien)

AREA, POPULATION, ETC.

Position—141° 51′ and 144° 55′ E.L.; 45° 54′ N.L.

Area—36,090 square kilometers. Separated from the northern tip of Hokkaido by the Soya Straits.

The island of Karafuto was occupied by the Japanese forces during the Russo-Japanese War in August, 1905, and the acquisition by Japan of the island south of the fiftieth parallel was confirmed by the Treaty of Portsmouth concluded between Japan and Russia in October of the same year.

Table 1. Area of Karafuto By Districts

	Area (Sq. kms.)	Ratio
Toyohara	4,751	132
Otomari	4,843	134
Honto	1,567	43
Maoka	2,490	69
Tomarioru	6,903	191
Mototomari	3,121	87
Shikka	12,417	344
Total	36,090	1,000

Table 2. Climate (1937)

	Temperature (C.)			No. of clear days	No. of Rainy days	No. of Snowy days
	Average	Maximum	Minimum			
Otomari	3.1	21.1	–16.1	43	173	124
Honto	4.4	21.3	–11.2	22	214	136
Maoka	3.8	21.0	–12.6	24	212	148
Ochiai	2.1	23.9	–19.4	38	194	114
Shikka	0.3	20.1	–24.3	54	155	99
Yasubetsu	0.8	19.5	–19.9	34	187	137
Toyohara	2.6	23.6	–19.2	55	195	120

Population

The native inhabitants consists of various tribes, i.e. Ainus, Gilyaks, Orochones and Tungues. These are gradually dwindling in number. The total population of the territory as at the end of 1937 was 326,946 of which 324,913 (inclusive of 6,592 Chosenese) were Japanese, 1,746 natives and 287 foreigners. Contrasted with the population of 12,361 at the end of 1906, or a year after the territory was placed under the control of Japan, it shows an increase of 314,585.

Statistics of population for the last few years are tabulated below:—

Table 3. Population By Sex and Nationality

	Total		Japanese		Natives		Foreigners		Pop. per house-hold	Male per 100 female
	Male	Female	Male	Female	Male	Female	Male	Female		
1930	159,919	125,011	158,710	123,929	960	973	249	109	4.96	127.9
1931	161,767	125,610	160,577	124,507	1,012	997	178	106	5.01	128.8
1932	164,304	128,868	163,143	127,807	988	949	173	112	5.06	127.5
1933	167,024	133,274	165,946	132,265	932	905	146	104	5.08	125.3
1934	175,194	137,936	174,013	136,860	1,008	950	173	162	5.13	127.0
1935	176,571	145,904	175,389	144,779	958	997	224	128	5.17	121.0
1936	174,635	147,130	173,501	146,029	916	960	218	141	5.13	118.7
1937	176,149	150,797	175,105	149,808	869	877	175	112	5.16	116.8

Table 4. Population and Households in Principal Towns
(End of December, 1937)

	No. of Household	Population		
		Male	Female	Total
Toyohara	7,284	19,363	18,002	37,365
Ochiai	2,763	7,812	7,055	14,867
Otomari	4,754	12,526	11,143	24,269
Rutaka	1,593	4,428	4,171	8,599
Honto	2,202	6,244	6,082	12,326
Maoka	3,574	9,703	9,132	18,835
Tomarioru	2,239	5,803	5,503	11,306
Esutoru	6,373	17,541	14,418	31,959
Shirutoru	3,569	9,484	8,113	17,597
Shikka	4,744	14,452	9,947	24,399

Table 5. Population Classified by Occupation
(End of December, 1937)

Occupation:	Population	%
Agriculture and Forestry	42,847	13.1
Fishery	13,895	4.3
Mining	11,492	3.5
Manufacturing Industries	20,292	6.2
Commerce	30,749	9.4
Communications	6,968	2.1
Civil Service	8,628	2.6
Other Occupations	2,379	0.7
Domestic Servants	12,584	3.9
Unregistered and those without fixed work	177,112	54.0
Total	326,946	100.0

Table 6. Movement of Population per 1,000 Inhabitants

	Birth	Still-birth	Death
1928	36.86	2.31	21.27
1934	36.22	1.68	16.35
1935	37.40	1.56	15.65
1936	36.53	1.72	18.56
1937	37.89	1.71	18.13

Census Population

The first census was taken on October 1, 1920 and the second on October 1, 1930. On October 1, 1925 and 1935 rough enumeration of population was effected. The census population as enumerated in the four different years is listed below:—

Table 7. Census Population

Oct., 1st.	Male	Female	Total	Increase	Percentage of Increase %
1920	62,327	43,572	105,899	——	——
1925	122,379	81,375	203,754	97,855	92.40
1930	168,532	126,664	295,196	91,442	44.88
1935	186,225	145,718	331,943	36,747	12.44

As will be noted from the above table, the proportion of the expansion of population in the five-year period from 1925-30 appreciably decreased. The average rate of increase was 8.98% for the second period as against 18.48% for the first lustre.

The yearly average of the increase in the population for the third quinquennial period (1930-35) was only 2.49%. The increase of the population for the fifteen years is 226,050 (213%) and the yearly average 14.23%.

FINANCE

As regards the finance of Karafuto since the establishment of the Special Account for the territory in April, 1907, it may be noted that a fixed grant has been made annually by the National Treasury, and that this grant, together with the taxes and other sources of revenue of the territory, is used in defraying the expenses of colonization and general administration.

Table 8. Revenue and Expenditure
(¥1,000)

Year ending Mar. 31:	Revenue			Expenditure		
	Ordinary	Extraordinary	Total	Ordinary	Extraordinary	Total
1930	18,611	13,728	32,339	16,640	11,947	28,587
1931	21,028	5,515	26,544	15,626	9,002	24,629
1932	18,237	5,131	23,368	14,580	6,699	21,179
1933	17,090	5,548	22,638	14,657	6,206	20,863
1934	21,439	6,402	27,841	15,234	6,980	22,214
1935	33,255	6,783	40,039	16,196	8,504	24,700
1936	27,469	15,435	42,904	17,050	10,411	27,462
1937	32,842	15,626	48,469	18,317	14,910	33,228
1938	41,393	15,610	57,006	18,848	16,957	35,806
1939 (Estimates)	36,024	2,993	39,017	20,887	18,249	39,136
1940 (")	42,833	5,900	48,734	25,229	23,505	48,734

Table 9. Budget for 1938–39 & 1939–40

(Fiscal Year Ending March 31)

(In ¥1,000)

REVENUE	1939	1940
Ordinary:		
Taxes	3,926	4,186
Receipts from Government undertakings and properties	29,133	35,537
Stamp receipts	346	366
Profits of tobacco monopoly	1,560	1,851
Miscellaneous receipts	1,058	894
Total incl. others	36,024	42,833
Extraordinary:		
Proceeds of sale of State property	96	79
Temporary Profit tax	226	603
Special Taxes	—	416
Previous years' surplus transferred	2,436	4,793
Special tax for North China Incident	42	—
Total incl. others	2,993	5,900
Grand Total	**39,017**	**48,734**

EXPENDITURE	1939	1940
Ordinary:		
Karafuto Administration Office	2,067	2,295
Education	2,713	2,952
Government undertakings	9,317	12,004
Forest	2,305	2,735
*Transferred to Special Account	1,922	1,894
Total incl. others	20,887	25,229
Extraordinary:		
Repairing & Civil Engineering	1,308	2,092
Development Expenses	11,444	12,398
Subsidies	2,239	2,342
Transferred to general account	—	—
Transferred to Temporary Defence Special Account	2,671	4,677
Total incl. others	18,249	23,504
Grand Total	**39,136**	**48,734**

Note: * National loans readjustment fund.

BANKING AND OTHER MONETARY ORGANS

The deposits and advances of the banks in Karafuto are as follows:

Table 10. Bank Accounts

(End of 1937)

	Deposits	Advances
Branches of Hokkaido Colonial Bank (11)	¥44,359,381	¥28,511,609
Karafuto Bank (Head Office and 1 Branch)	3,058,322	5,295,637
Branch of Hokumon Savings Bank	2,538,186	396,144

Industrial Associations and Industrial Federations.—Since the Industrial Association Law was enforced in 1915, industrial associations have been established in many parts of the territory, showing good results. In the year in which the law in question was put in force, only one association was organized. As at the end of 1937 there were 85 industrial associations. The subscribed capital (at the end of 1937) of 76 associations into which investigations had been made was ¥2,269,085 of which ¥1,948,482 was paid up. The working capital inclusive of reserves, savings and borrowings totalled ¥6,421,406. The total membership was 10,801. At the end of 1937 there was only one industrial federation with a membership of 81. Its subscribed capital was ¥201,500, of which ¥128,277 was paid up.

SANITATION, RELIGION AND EDUCATION

The Government keeps under its direct management three medical offices at Toyohara, Otomari and Maoka. At the end of 1937 there were 144 practitioners, 91 dentists, 264 midwives, 83 nurses and 59 pharmacists.

Table 11. Number of Hospitals, Physicians, etc. in Karafuto

	Hospitals								
	Government	Public	Private	Total	Physicians	Dentists	Pharmacists	Midwives	Nurses
1927	3	..	..	..	79	47	34	160	49
1935	3	1	23	27	127	70	51	254	105
1936	3	1	25	29	142	83	56	256	149
1937	3	1	28	32	144	91	59	264	83

Education.—The following table will give a general idea of the spread of education in Karafuto:

Table 12. Number of Schools, Teachers and Pupils

(End of 1937)

	No. of schools	No. of teachers	No. of pupils
Elementary and Higher Elementary Schools	253	1,454	55,828
Middle Schools	3	96	2,104
Girls' High Schools	4	85	1,631
Private Schools	5	46	282
Kindergartens	3	9	182
Supplementary Schools	10	25	682
Natives Training School	1	1	33

Table 13. Statistics of Religions

	Shintoism				Buddhism				Christianity	
	Shrines		Propagation quarters		Temples		Propagation quarters			
	No.	Priests	No.	Preachers	No.	Priests	No.	Priests	Churches	Missionaries
1928	80	16	37	35	48	47	89	84	7	7
1934	112	31	44	46	72	72	126	123	12	12
1935	113	32	50	50	75	75	120	117	12	12
1936	113	34	53	53	82	82	122	120	11	11
1937	119	38	55	54	81	80	120	116	13	13

AGRICULTURE AND IMMIGRATION

The area under tillage in Karafuto is yearly increasing. But still it was not over 34,889 hectares at the end of 1937. It is only one-tenth of the arable land which is 334,872 hectares in area. Therefore, there is still room for many thousands of agricultural immigrants. Since 1906, the authorities have encouraged the immigration of farming population by extending them liberal protection and suitable help. A small sum of money is granted to those peasants who settle down within six months of their arrival. As at the end of 1937 the farming population stood at 55,631, representing 10,811 households. The number of their houses occupy about 17% of the total number of houses in the territory. The total amount of farm produce for 1937 was ¥5,812,000. The number of peasant settlers in recent years is shown below:—

Table 14. Peasant Settlers in Recent Years

	Families	Population	of which male
1927	1,100	4,751	2,195
1932	1,341	6,357	3,453
1933	1,267	4,855	2,489
1934	1,251	4,893	2,594
1935	809	3,398	1,784
1936	805	3,863	1,964
1937	623	2,850	1,524

The total amount of various agricultural products in recent years is tabulated as follows:—

Table 15. Farming Population, Area and Output

	Farming		Area Under Cultivation (Hectare)		Crops	
	Families	Population	Total	per family	Total (¥1,000)	Per family (¥)
1932	10,759	54,952	31,527	2.92	2,947	274
1933	11,027	55,954	33,267	3.10	3,615	328
1934	11,593	58,514	31,597	2.71	4,059	350
1935	11,628	58,008	31,873	2.75	3,745	324
1936	11,445	57,627	33,631	2.95	4,219	369
1937	10,811	55,631	34,889	3.23	5,812	537

Note: Hectare=1.0083 cho.
Cho=0.99174 Hectare.

The area under various crops classified according to kind is given in the following table:—

Table 16. Principal Agricultural Crops

(1 koku=4.9656 bushels; 1 kwan=3.75 kilograms)

	Oats		Peas		Potatoes		Burdocks		Fodder		Total incl. others
	(1,000 koku)	(¥1,000)	(1,000 koku)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(¥1,000)
1933	137	804	8	171	13,284	698	3,128	219	5,197	307	3,615
1934	182	912	19	305	11,567	740	3,355	233	7,085	324	4,059
1935	172	807	20	429	9,254	631	4,120	238	4,859	316	3,745
1936	136	751	20	604	9,407	535	3,379	286	5,021	541	4,219
1937	145	1,376	26	640	10,572	781	3,699	304	7,943	671	5,812

FISHERY

Fishery is the oldest industry and constitutes by far the most important resources of Karafuto. The principal fish caught are herring, trout, salmon and cod. The right of fishing is granted under three kinds of license, the special, ordinary and drift-net fishing. The first is limited to bodies of fishermen on specific grounds, while the second is permitted only to those living in Karafuto. The last named was formerly issued by public tender, but now it is restricted to certain persons. The greater part of the fish are manufactured into manure. With regard to the trout and salmon fisheries, it is to be noted that the authorities concerned have lately attempted artificial fecundation to ensure the multiplication of these varieties. In view of the gradual decrease in the catches, the authorities have taken measures to prevent the reckless ways of catching crabs hitherto pursued, and in 1934 effected a merger of the factories in order to unify the quality of manufactures.

Table 17. Statistics of General Situation in Fishery

	fishing crafts	No. of fishermen	Catches (¥1,000)	Manufactures (¥1,000)
1932 ...	16,451	26,712	5,452	10,299
1933 ...	16,668	25,259	6,892	12,641
1934 ...	17,363	25,807	6,822	15,028
1935 ...	17,273	27,838	8,007	16,918
1936 ...	16,047	27,157	8,309	17,343
1937 ...	....	26,393	9,660	15,780

Table 18. Principal Fishery Catches Classified

(1 kwan=3.75 kilograms)

	Herring		Trout		Salmon		Cod		Crabs		Weeds		Shell-fish		Total incl. others
	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 Pieces)	(¥1,000)	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(¥1,000)
1932	102,653	3,054	1,526	377	219	112	6,192	390	6,192	317	9,427	984	643	27	5,452
1933	73,403	3,903	3,815	1,094	290	168	4,379	657	4,379	319	8,579	247	959	34	6,892
1934	108,243	4,317	2,177	350	421	232	3,948	544	3,948	533	10,059	404	881	33	6,822
1935	63,668	3,889	9,042	1,410	468	265	4,068	687	4,068	506	9,666	501	1,309	62	8,007
1936	67,429	5,098	1,151	308	367	191	4,092	544	4,092	175	13,635	501	1,908	103	8,309
1937	39,021	4,315	4,143	990	641	297	3,579	844	1,609	210	8,394	375	920	224	9,660

Table 19. Output of Marine Products

	Dried Fish		Salted Fish		Canned Trout		Canned Crabs		Isinglass		Manure		Fish oil		Total incl. others
	(1,000 kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(Cases)	(¥1,000)	(Cases)	(¥1,000)	(Kwan)	(¥1,000)	(1,000 kwan)	(¥1,000)	(Cases)	(¥1,000)	(¥1,000)
1932	3,768	2,738	2,321	569	1,089	7	32,041	915	25,919	163	20,181	5,323	151,599	405	10,299
1933	2,432	2,182	3,086	1,345	64,602	682	38,362	1,646	31,417	297	15,393	5,672	115,305	464	12,641
1934	3,634	2,776	2,667	942	27,931	307	54,246	2,247	32,351	304	21,725	7,186	212,887	798	15,028
1935	3,130	3,796	5,284	2,137	146,619	1,442	45,366	1,848	38,164	482	13,577	5,474	156,883	864	16,918
1936	4,763	5,714	2,587	1,210	17,919	192	19,291	896	46,351	623	13,853	6,376	176,177	1,344	17,343
1937	2,077	2,707	3,463	1,941	60,811	644	29,089	1,250	55,273	950	11,070	5,262	194,842	1,419	15,780

(Continued)

FORESTRY

Karafuto abounds in primeval forest that occupy about 47% of the total area of the island and at present supply the territory with the most important natural products. Acerose trees, growing in the forests, are chiefly Ezo-matsu (Picea ajanensis, Fisch), and Karafuto-rakuyosho (Larix dahurica, Turez). They grow in mixed stands, though pure forests of the larch are found in some places. The broad leafed trees among which birches, willows, elms and alders are prominent, occupy the low lying places such as the river banks. On more elevated land acerose trees (most of which are Todo-matsu and Ezo-matsu but the larch is very scarce) form pure forests, though birches are often found growing mixed with them on the mountain side. The Haimatsu (Pinus pumila) grows densely on the tops of high mountains, while pure forests of birches are found on the tops of low mountains. The larch usually grows in low land. Generally speaking, the Todo-matsu and the Ezo-matsu are most plentiful, forming about 83% of the whole stock. Being very durable, the larch is in great demand for telegraph-poles, railway sleepers, and for other engineering purposes, but the larch not adapted for these purposes is used as fuel. Apart from use as timber and packing materials, these acerose trees are utilized in far greater quantities as pulp wood. At present pulp factories exist at Otomari, Toyohara, Maoka, Noda, Ochiai, Shiritori, Tomarioru and Estori.

The area of the state forests of Karafuto is put at 2,939,164 hectares, which occupy about 80% of the area of the territory. The revenue from the forest for 1937-38 was ¥27,948,163 which was about 49% of the revenue of the Government of Karafuto.

Table 20. Forestry Products

	Timber		Fagots		By-products		Charcoal	
	Qty. (1,000 cubic meters)	Value (¥1,000)	Qty (1,000 cubic meters)	Value (¥1,000)	Value ¥	Total value (¥1,000)	Qty. (M. tons)	Val. (¥1,000)
1931	3,787	11,590	373	143	4,268	11,737	7,480	172
1934	4,717	21,385	344	132	4,198	21,521	7,519	253
1935	4,559	21,138	364	142	3,344	21,283	7,074	254
1936	4,983	21,845	347	134	6,050	21,985	7,349	251
1937	4,506	27,757	333	134	6,113	27,897	7,220	305

Table 21. Output of Pulp and Paper

	No. of Factories	No. of Operatives			Pulp Output		Paper Output		
		Male	Female	Total	Quantity (M. tons)	Value (¥1,000)	Quantity (M. tons)	Value (¥1,000)	Raw materials consumed (1,000 cubic meters)
1931	8	2,921	327	3,248	144,454	15,199	143,472	26,218	1,096
1934	8	3,568	433	4,001	179,096	28,248	156,195	37,230	1,440
1935	9	3,599	466	4,065	204,609	32,464	165,815	38,906	1,510
1936	9	3,681	426	4,107	248,664	39,972	165,269	36,267	1,671
1937	9	3,741	461	4,202	215,203	44,064	201,642	53,936	1,491

MINING INDUSTRY

The strata of the island are generally of Tertiary formation and hold rich veins of coal. The coal bed consists of three measures, upper, middle and lower. The upper measure, which has a close connexion with the oil-bearing strata, pertains to the Pliocene, and the middle and the lower to the Eocene. Each of these measures exists on both sides of a Cretaceous mountain range running from north to south, forming many important coal fields in the island. There are three great coal-fields, namely, the Northern, the Middle and the Southern. The Middle coal-field, which runs about 100 kilometers from north to south and has a breadth of from 2 to 5 kilometers, is the largest and belongs to the lower measure. A part of the Southern coal-fields following the western coast and the greater parts of the Northern and Eastern coal-fields belong to the upper measure. In the northern part of the western coast there are also important coal-fields belonging to the middle measure. Each of these contains at least 3 to 13 coal-seams with a thickness of from 1 to 10 metres. Output of coal by 30 mines in 1937 amounted to approximately 2,535,574 metric tons, and it is believed that there are reserves of more than 2,060 million tons in the area already investigated on the island. The coal of the middle and lower measure is bituminous and that of the upper measures lignite.

As for petroleum, the demand and supply of oil may be seen from the table given below:—

Table 22. Demand and Supply of Oil

(Tons)

	Output	Import	Export	Consumption
1929...	635,515	27,404	16,380	646,539
1930...	644,947	12,687	12,646	644,988
1931...	637,962	3,960	38,079	603,843
1932...	677,389	241	51,833	625,797
1933...	889,913	—	168,604	721,309

Table 23. Coal Mining in Karafuto

	No. of Mines				Production	
	in operation		Closed			
	No. of lots	Area (1,000 sq. mtr.)	No. of lots	Area (1,000 sq. mtr.)	Quantity (metric tons)	Value (¥1,000)
1933	18	106,999	31	78,386	888,913	6,704
1934	21	115,665	39	92,936	1,196,647	9,119
1935	22	124,446	40	90,936	1,515,647	11,476
1936	27	133,787	45	114,418	2,075,157	15,375
1937	30	154,588	53	118,760	2,535,574	19,421

RAILWAYS

The first railway in Karafuto was constructed by the Army Department in 1906 between Otomari (formerly Korsakovka) and Toyohara (formerly Vladimolovka), 41.8 kms. in length. It was a light railway with a gauge of 2 ft. and exclusively used for military purposes. With the withdrawal of the military government in April, 1907, the railway was transferred to the Karafuto Administration Office and opened to public traffic in August the same year.

Owing to an increase in the traffic, the gauge was widened by 3 ft. in 1910, while the construction of sections further north of Toyohara was started. The work on the Toyohara-Sakaehama section having been completed in 1911, the Otomari-Sakaehama Section (94.1 kms.) which now forms the trunk line of the insular railway connexion, was opened to traffic. The work of construction was pushed on and the branch line connecting the Kawakami line with Konuma and the Honto-Noda section on the west coast were completed and opened to business respectively in 1914 and 1920. Besides, the construction of a branch line which connects Toyohara, the Capital of the territory, with Maoka on the west coast was started in 1921 and completed in 1928. The railway lines in operation as at the end of March, 1938 were 376 kilometers in length. Of this length 119 was represented by the East Coast Line, 84 by the Toshin Line and 173 by the West Coast Line.

Table 24. Statistics on Railways

(A) Government Lines

Year Ending Mar. 31:	Operating lines (Kms.)	No. of stations	No. of passengers carried	Volume of goods hauled (M. tons)	Receipts from passenger traffic (¥1,000)	Receipts from goods traffic (¥1,000)	Total receipts (¥1,000)
1933	343	64	1,405,030	631,309	812	1,069	1,883
1934	343	64	1,400,482	735,542	830	1,227	2,058
1935	343	65	1,606,325	968,896	947	1,512	2,460
1936	343	65	1,702,285	983,734	1,010	1,563	2,574
1937	343	76	1,835,171	1,151,908	1,087	1,727	2,815
1938	376	81	1,825,348	1,245,761	1,095	2,019	3,114

(B) Private Lines

Year ending Mar. 31:	Operating lines (Kms.)	No. of stations	No. of passengers carried	Volume of goods hauled (M. tons)	Receipts from passenger traffic (¥1,000)	Receipts from goods traffic (¥1,000)	Total receipts (¥1,000)
1933	238	37	318,314	308,490	392	590	1,018
1934	238	37	299,025	325,612	385	604	1,025
1935	238	38	350,847	450,468	455	925	1,420
1936	238	34	362,160	539,050	493	1,124	1,666
1937	280	43	318,490	634,715	451	1,167	1,673
1938	280	43	375,669	705,980	551	1,427	2,045

Private Railways

At the end of March 1938 there were three private railways, namely, the Karafuto Railway Company, the South Karafuto Railway Company and the Mitsubishi Coal Liquefaction Company. Operation length of the first named company was 245.5 kilometers, the second, 18.6 kilometers, and the third 16.3 kilometers.

Commerce and Industry

In sympathy with the growing development of industry in Karafuto, many companies of respectable sizes for various purposes have been increasingly established of late years. At the end of 1937 there were 368 companies with the total investment of ¥10,669,000. All these companies were exclusively those having head offices in Karafuto.

Besides, there were 15 companies whose head offices were outside of the islands. Their paid-up capital was ¥311,174,000. The number of companies specified according to industry is tabulated below:—

Table 25. Number of Companies By Industries

(Amount in ¥1,000)

		Agriculture		Aquatic		Mining		Mfg. Ind.		Commerce		Transports	
		Cos.	Investment	Cos.	Investment	Cos.	Investment	Cos.	Investment	Cos.	Investment	Cos.	Investment
1928	A.	—	—	—	—	1	62,500	6	49,378	1	250	—	—
	B.	17	1,774	6	578	2	155	55	53,268	136	2,567	48	13,694
1934	A.	—	—	—	—	1	67,500	5	132,153	2	1,325	—	—
	B.	19	245	15	109	3	200	87	16,222	202	8,590	68	14,911
1935	A.	—	—	—	—	1	70,000	5	132,538	4	1,375	1	250
	B.	18	245	14	121	4	5,200	89	23,302	192	8,337	70	15,400
1936	A.	—	—	—	—	1	80,000	6	189,971	7	635	1	250
	B.	16	235	13	120	5	5,225	83	33,299	175	8,131	71	15,995
1937	A.	—	—	—	—	2	82,500	5	226,279	7	2,145	1	250
	B.	16	720	12	57	6	5,201	88	33,551	174	8,644	72	18,897

Note: A. Represents cos. with their head offices in Japan Proper.
B. Represents cos. with their head offices in Karafuto.

Industry

The industrial products of Karafuto in 1937 amounted to ¥112,919,938, which represented about 60% of the value of the whole products, which was given as ¥187,259,000. Principal industrial products are pulp, sake, tinned foods, etc.

The output of pulp for 1937 was 215,203 metric tons, valued at ¥44,063,904 and that of paper 201,642 metric tons, valued at ¥53,936,189. The output of pulp required 1,490,812 cubic meters of materials, which represent the greater portion of pulp materials supplied by Japan. The output of sake was 81,988 hectolitres, valued at ¥4,536,485.

Tinned crabs are the most representative of foods in tins. Their production in 1937 was valued at ¥1,263,888.

Table 26. Total Production in Karafuto Classified by Industries

(Unit: ¥1,000)

	Agriculture	Stockbreeding	Forestry	Aquatic	Mining	Mfg. Ind.	Total
1933	3,615	1,814	11,547	11,237	6,704	62,735	79,652
1934	4,059	2,143	22,113	13,664	9,119	75,463	126,562
1935	3,745	2,710	21,928	15,741	11,476	83,421	138,021
1936	4,219	2,988	22,532	18,582	15,375	87,775	151,470
1937	5,812	3,621	28,562	16,923	19,421	112,920	187,259

Trade with Japan Proper and Foreign Countries

Trade with Japan Proper.—The trade of Karafuto with Japan Proper in 1937 amounted to ¥121,137,965 in exports and to ¥59,114,966 in imports, totalling ¥180,252,931. As compared with the previous year, exports show an increase of ¥1,707,464 and imports ¥5,343,356.

Principal consignments from Japan in the year under review consisted of rice, textiles, oil, beer, rye, beans, salt, sugar, soy, tobacco, raw fish, vegetables, fruit, metal ware, drugs, wheat flour, eggs, lime, cokes, cement, etc.

Principal shipments consisted of pulp, timber, paper, fertilizer, salt fish, dried fish, fish oil, seaweeds, crabs, tinned foods, etc.

Foreign Trade.—There are two trading ports in Karafuto, one being Otomari and the other Maoka. The former was opened in March, 1909 and the latter in February, 1922. Formerly, foreign trade was almost confined to Korea, China and Russia in East Asia. Trade was opened with Kwantung Province in 1923, with England and America and Germany in 1925, with Spain, Belgium, the Dutch East Indies and Egypt in 1926 and with the Philippines and Manchoukuo in 1932.

The foreign trade of Karafuto began with the exportation of railway sleepers and other timbers to Korea, timber to China and coal to Asiatic Russia and the importation of rails and other rolling stocks from Korea and trout and salmon from Asiatic Russia. In 1910 exports and imports aggregated ¥35,607. The trade progressed steadily until in 1913 its total value reached a height of ¥249,869. In 1916, however, the value of trade decreased to ¥53,276 through the effects of the World War. The following year the total value of trade recovered what it had lost due to an increase in exports. Thence it gradually increased until 1928. In 1922 Maoka Port was opened to foreign trade, but this caused an adverse turn to trade. From 1923 to 1928 trade continued showing an import excess. In the latter year imports and exports totalled ¥937,710, resulting in a deficit balance of ¥539,294. The following year the total value of trade shot ahead of two million yen and showed a favourable balance. From the following year, however, trade began to diminish considerably due to the world-wide economic depression consequent upon the stringency of the money market and has displayed an adverse balance since 1932.

Foreign trade for 1937 figured out at ¥288,662 in imports and at ¥235,001 in exports totalling ¥523,663 and resulting in a deficit balance of ¥53,661. The principal countries involved are Manchoukuo, Soviet Russia, China, Kwantung Province, etc. Staple exports are seaweeds, salt fish, dried fish, timber, and imports are salt, fodder, machinery.

(For foreign trade statistics for the year 1938 refer to Foreign Trade Chapter).

References:

Table Nos.: 1-7 a, 8-9 b, 10-26 a.
Key: a—Karafuto Govt.
b—Dept. of Finance.

CHAPTER XLIV

NANYO (The South Sea Mandated Islands)

GEOGRAPHY

Position and Area

Japan acquired by virtue of the Treaty of Peace concluded after the World War the mandatory right over the former German South Sea Islands north of the Equator. The archipelago had been occupied by a Japanese squadron at the beginning of the World War. It consists of three groups, viz. the Marianas, Marshalls, and Carolines, comprising 1,458 islands, islets and reefs, scattered over a vast expanse of water extending for about 1,200 miles south to north and about 2,500 miles east to west. In other words, the territory stretches on the one hand between 130° to 175° E.L. and on the other between 0° and 22° N.L. and is situated to the south of Japan, with Hawaii far away to the east, and adjacent to the Philippines and the Dutch Celebes to the west, while to the south there lie the Island of New Guinea and the Bismarck Group and to the north the Bonin and Iwo Islands which form the southern extremity of the Japanese Empire. The area of the Islands is very small, the total being 830 square miles (2,149 square kilometres).

The number and area of the islands are as follows:—

Table 1. Islands By Jurisdiction of Branch Bureau of South Seas Office

Branch Bureau	No. of Islands	Area sq. km.	Area sq. ri	Position
Saipan (Mariana Group)	14	639	41.43	145°40′ E.L.—15° 5′ N.L.
Yap (Caroline Group)	85	226	14.64	137°58′ " — 9°25′ "
Palau (" ")	109	478	31.00	143°10′ " — 6°50′ "
Truk (" ")	245	132	8.55	151°22′ " — 6°57′ "
Ponape (" ")	138	504	32.65	158°10′ " — 6°45′ "
Jaluit (Marshall Group)	32	170	11.05	169°42′ " — 5°48′ "
Total	623	2,149	139.32	

The number and area of the islands classified according to the jurisdiction of the different branch bureaus of the South Seas Office are as follows:—

Table 2. Principal Islands and Their Area

Islands	Area sq. km.	Area sq. ri
Saipan (Mariana Group)	185	12.00
Tinian (" ")	98	6.35
Rota (" ")	125	8.10
Yap (West Caroline Group)	216	14.00
Palau Proper or Baobeltaob (West Caroline Group)	370	24.00
Korror Island (Palau Group) ...	8	0.50
Angaur (West Caroline Group) .	8	0.50
Spring Island (East Caroline Group)	22	1.43
Summer Island (" " ").	9	0.58
Wednesday Island (" " ").	23	1.51
Ponape (" " ").	375	24.34
Kusaie (" " ").	116	7.50
Jaluit (Marshall Group)	8	0.51

Weather and Climate

The Islands being situated in low altitudes, atmospheric pressure is generally low and undergoes no great change throughout the year. Broadly speaking, it is comparatively low in Truk and Ponape Islands. In the western part of the Caroline Group and Mariana Group it is high in February and March, but low in October and November.

Direction of Winds.—As the islands lie scattered over a vast expanse of water, the direction of winds varies according to the different islands, so that no accurate description can be given. Usually, however, a north-easterly wind or easterly wind prevails from November till April of the following year, while between May and October the direction of the wind varies according to different localities. Thus in the western part of the Caroline Group a westerly or southerly wind prevails and in other localities it blows diversely from the east and from the south. There is no wind for some time when changes take place in the direction of the wind.

Wind Velocity.—In the Mariana Group the wind is somewhat strong, developing a mean velocity of 4.6 m/s. for the year. It is weak in April and during August and September, but is strong from October till February of the following year. In other islands the wind is generally weak, the mean velocity registered being 2.1 m/s. In the western part of the Caroline Group, it is weak between April and June and also in September, but is strong from October till March of the following year. In the eastern part of the same group, it is weak between August and September, but is strong between January and March. There is seldom a really high wind in any of the islands.

Temperature.—Throughout the islands, temperature is fairly uniform, the mean temperature registering 26.7 degrees with the mean maximum of 29.3 degrees and the mean minimum of 24.5 degrees. The thermometer seldom rises above 32 degrees or falls below 20 degrees. Throughout the year the variations in temperature are very narrow. It has been observed that the difference between the highest and the lowest on a normal day is about 3 degrees.

Humidity.—All the islands are humid, the mean relative humidity registered throughout the year being 81%, though in the western part of the Caroline Group it is a little less. In the Mariana Group humidity is greater between September and October and less in March. In the western part of the Caroline Group it is greater between June and July and less between March and April, while in the eastern part it is greater between September and October and less between January and March. There is no great change throughout the year and the minimum of less than 60% is but rarely registered.

Rainfall.—In all the Islands, the rainfall is extremely abundant, the total quantity of rainfall in a year varying between 3,000 and 5,000 millimetres. Saipan is the least visited by rain, while Ponape and Palau are most plentifully favoured by it. It is no rare occurrence in the latter two islands that the total quantity of rainfall exceeds 4,000 milimeters a year. As to the rainfall in different seasons, there are places where no clear distinction can be made between the dry and wet seasons, but July-September is generally considered as wet and January-March as dry. Nevertheless it is by no means the same every year.

RACE, LANGUAGE, MANNERS AND CUSTOMS

Race.—The natives of the Islands as a whole may be divided into two great tribes of Kanakas and Chamorros.

Chamorros.—The principal places inhabited by Chamorro tribesmen are the Mariana Group and Yap and Palau Islands in the West Caroline Group, only a few migrated Chamorros living in other islands. The ancestors of the Chamorros are asid to have lived in Guam. The fact that they live mostly in the islands around and nearest to that island is probably due to the migration of their forefathers therefrom. Guam was in early days the center of the Mariana Group, and geographically it is quite natural that Chamorro tribesmen should have crossed to Rota from that island and then to Tinian and Saipan. It seems that a great many Chamorro immigrants came to Saipan and Tinian during the Spanish regime, and those two islands were fairly densely populated by them. Owing, however, to internal strifes and massacres following on rebellions, the Chamorro population has greatly dwindled and at present taking both Saipan and Rota together they total only a little more than 2,600, and even adding those living in Yap and Palau they do not much exceed 3,000. The Chamorros living in Saipan, which contains a majority of the Chamorros in the South Sea Islands, are said to have greatly altered through intermarriages with the Tagala tribesmen of characteristic physiognomical features, with yellowish brown skin and black hair.

Kanakas.—The Kanaka is the general appellation for the natives of Hawaii and other Pacific islands. A great majority of the natives of the South Sea Islands belong to this race but when close observations are made, it is found that those inhabiting the western islands seem to have much affinity with the Malay race and those inhabiting the eastern islands resemble the Polynesian race, while as one goes further south the more one comes across those similar in racial type to the Melanesian race. Though there is more or less difference between these three groups of Kanakas, they are generally dark-brown skinned and commonly have black hair, in some cases curled. Their eye-brows are thick and the space between the eye-brows and eyes is rather narrow, while their eyes are deeply sunken. Further, the alar cavities of the nose are wide, the mouth large and lips thick. They have not much beard and are generally artless and mild in their expression. In stature they are of medium height, but sometimes very big and tall men are found among them, such men being especially numerous in the southern islands.

Tribal Relations of Natives.—It is a fact that Chamorros are generally more advanced in civilization than Kanakas, but this is only relatively true, even Chamorros being very backward as compared with the civilized peoples. Chamorros and Kanaka differ in language, manners and customs, and not only do not intermarry but even in daily life rarely associate with each other. Considering themselves as superior, Chamorros dislike to have any connection with Kanaka in any matter. In fact the two live quite apart and no instance of rivalry, strife enmity between them has occurred. Nearly all the islands except Saipan are mainly inhabited by Kanakas, Chamorros being few in number. The two groups of people have always formed separate communities and have never been in the relation of conqueror and conquered, nor will be in the future. As a matter of course, both from the administrative and legal points of view, the Japanese Government treats them equally and without any discrimination.

Language.—Different dialects are spoken in different islands, there being no language common to all. Even in one and the same group of islands, the dialects of the principal islands are different and there are not a few cases where in adjacent islands dialects different from those of the principal islands are spoken. For instance, the natives of Yap and those of the adjacent islands speak different dialects. It is the same with the natives of Ponape and Kusaie. All this is due to the difficulty of communications between the islands which are separated by great distances, which is also a cause of great inconvenience in administration. Since the islands were placed under the mandate rule of Japan, the authorities have established schools at important centers, and even in distant islands schools have been established at places inhabited by Japanese. As a result of the efforts made at those schools for spreading the knowledge of Japanese the number of natives able to speak the language is steadily on the increase, so that in most of the islands the Japanese language has become the medium of communication at least in matters of daily life.

In regard to the natives who can speak English, German or Spanish, no investigation has as yet been made, but there are a number of such natives. This is due to the fact that before Japan undertook the mandatory rule of the Islands, there were not a few natives, who had been educated at mission schools or were employed by Germans, Americans or Spaniards. Those natives who are above 25 years of age and are educated at mission schools or were employed by foreigners, speak more or less one or other of the three languages above mentioned. Among such natives, there are more Kanakas than Chamorros, as the former are more numerous, but in point of ratio to their number Chamorros probably rank above Kanakas.

ADMINISTRATION

In December, 1914, the South Seas Defence Corps was set up to garrison and administer the South Sea Islands. The regulations for the defence corps were revised in July, 1918, and a Civil Administration Department was established which was put under the direction of the Commander of the Defence Corps to take charge of the administration, while the Corps was charged with local defence.

On the adoption by the Council of the League of Nations on December 17, 1920, of the terms of the Mandate for the German possessions in the Pacific Ocean lying north of the Equator, the Japanese Government steadily pushed on preparations for carrying out the duties entrusted to it and after 1921 gradually withdrew the garrisons stationed in the Islands. On April 1, 1922, the Government abolished the system of the South Sea Defence Corps and effected the withdrawal of the garrison, and at the same time created the South Seas Office to carry on the administration of the territory in place of the defence corps.

The South Sea Office has its headquarters in Korror, one of the Palau Islands in the West Caroline Group. The Director of the Office or Governor of the South Sea Islands under the direction and superintendence of the Minister of Overseas Affairs, manages the various administrative affairs of the mandated territory. With regard, however, to matters relating to post and telegraph he is under the superintendence of the Minister of Communications; in matters of currency, banking and customs duties, of the Minister of Finance, and in regard to weights and measures, of the Minister of Commerce and Industry.

The Director (Governor) is entrusted with the management of the general administrative affairs of the Islands and the issuance of necessary regulations with penal clauses imposing penal servitudes, imprisonment or detention of a period not exceeding one year, or fines or minor fines not exceeding 200 yen in amount. In cases of emergency and for the purpose of maintaining peace and order he may issue regulations with penal clauses heavier than those mentioned above. In such cases, however, he has to ask for Imperial sanction through the Minister of Overseas Affairs immediately after the issuance of regulations, and, if Imperial sanction is not obtained, he has to proclaim their invalidity for the future.

Legally, the Director (Governor) is thus authorized to issue regulations concerning matters for the management of the administrative affairs of the mandated territory. In practice, however, all important matters are decided by Imperial Ordinances.

If and when it is necessary, in the judgment of the Director, for the preservation of peace and order in the territory under his jurisdiction, he may request the commander of a naval port or the senior officer in command of the naval forces in the neighbourhood to employ naval force.

The Director may also cancel or suspend rules and instruction issued or measures taken by officials under his jurisdiction, if he considers such to be at variance with laws and regulations, to be injurious to the public welfare or to exceed the competence of the said officials.

The South Seas Office

The South Seas Office contains the Director's secretariat and five sections, namely, the General Section, the Financial Section, the Police Section, the Economic Development Section and the Communications Section. The Director's secretariat is in charge principally of confidential matters; the General Section, of affairs relating to local administration and public works; the Police Section, of those relating to police, hygiene and prisons; the Financial Section, of those relating to budgets and accounts; the Economic Development Section, of those relating to industry; the Communications Section, of those relating to post, telegraph, shipping and nautical works.

Besides these six sections, there are the Saipan Harbour Works Office and the Products Museum, respectively entrusted with the construction works at the harbour of Saipan and the exhibition of products of the territory.

Local Administration

Until the Regulations for the South Seas Islands Defence Corps were revised in July, 1918, the Islands were divided into six districts, and the commander of the garrison in each district, assisted by a civil secretary, dealt with civil administrative affairs in that district. But after the Regulations were revised, a civil administration office was established in each of the abovementioned six districts, and civil officials were appointed to take charge of local administrative and judicial affairs. The head of such an office was empowered either ex-officio or by special authorization to issue regulations with penal clause imposing detention or fines.

On the establishment of the South Seas Office in April, 1922, the civil administration offices were abolished, and six branch bureaux were established in their place, the sphere of their jurisdiction being the same as that of their predecessors. A branch bureau is an ordinary local administrative organ having charge of all affairs relating to census, registration, charity and relief, police, prison, hygiene, collection of taxes, education, religion, industry, civil engineering work, harbours, and other matters which do not come under the competence of any specially established office.

A branch bureau has a head, who, under the direction and superintendence of the Governor or Director of the South Seas Office puts into effect laws and regulations and manages administrative affairs in the district under his jurisdiction.

With regard to administrative affairs in the district under his jurisdiction, the head of a branch bureau is empowered ex-officio or by special authorization to issue rules. He is not authorized, however, to attach thereto any penal clauses. In case the Director of the South Seas Office finds such rules to be at variance with existing laws and regulations, or injurious to public welfare, or to exceed the competence of the authority, he may cancel or suspend them.

The head of a branch bureau is authorized to arbitrate in civil disputes and to pass summary judgement with regard to certain offences. In respect of the detection of offenders, as a judicial police officer, he has the same power as the public procurator of a local court.

The names, sites and sphere of jurisdiction of the branch bureaux are as follows:—

Table 3. Names, Sites and Sphere of Jurisdiction of Branch Bureau

Name	Site	Sphere of Jurisdiction
Saipan Branch Bureau ..	Saipan Islands of Mariana Group.	Whole of Mariana Group.
Tinian Branch Office	Tinian Island of Mariana Group.	Tinian Island & Agikan Island.
Yap Branch Bureau	Yap Island of West Caroline Group.	West Caroline Group (east of 137° E. L.)
Palau Branch Bureau ...	Korror Island of Palau Islands of West Caroline Group.	West Caroline Group (west of 137° E. L.)
Truk Branch Bureau	Summer Island of Truk Islands in the East Caroline Group	East Caroline Group (west of 154° E. L.)
Ponape Branch Bureau ..	Ponape Island of East Caroline Group.	East Caroline Group (east of 154° E. L.) and (west of 164° E. L.)
Jaluit Branch Bureau ...	Jaluit Island of Marshall Group.	Marshall Group (east of 164° E. L.)

Village Officials

In order to admit the appointment of natives as village officials and enable them to participate in the local administration, the offices of village chiefs and assistant village chiefs have been instituted in the district under the jurisdiction of each branch bureau. These village officials are appointed and dismissed by the head of the branch bureau with the sanction of the Director of the South Seas Office. In conformity with old usage, an assistant village chief assists village chiefs in the discharge of their duties or may carry out some portion of them.

The sphere of jurisdiction of a native official is determined in accordance with usage, but it may be charged by the head of a branch bureau after inviting and considering the opinions of interested officials and obtaining the approval of the Directors of the South Seas Office.

A village chief or an assistant village chief shall, under the direction of the head of the branch bureau, execute his functions defined by laws, regulations and local conventions, and at the same time shall execute the following activities which concern native inhabitants.

(1) Bringing laws and regulations to the notice of villagers.

(2) Forwarding to the authorities applications, reports, etc., sent in by villagers.

(3) Transmission by villagers and the due execution of instructions issued by the head of the branch bureau.

In addition to the abovementioned matters, a village chief or an assistant village chief is required to make a report at least twice a year to the head of the branch bureau or to the proper police officer concerning the conditions, changes in population, etc., of the village under his jurisdiction. In case epidemics break out, natural calamities happen, injurious insects appear, or any other important occurrences take place, he must immediately report it to the authorities.

A village chief may submit to the head of the competent branch bureau his opinion concerning the administration of the village under his jurisdiction.

The total number of native officials was 109 in October, 1937.

POPULATION

The total population as on June 30, 1938 was 121,128, of which 50,868 represented the islanders, 70,141 Japanese and 119 foreigners.

Natives.—Of the 50,868 islanders, as many as 47,041 were Kanakas and the rest or only 3,827 Chamorros. The Chamorros are very prolific, but the Kanakas are static. Even a yearly decrease is shown by the Kanakas under the jurisdiction of the Yap Bureau Branch.

Japanese.—The number of Japanese, which was only scores at the time of the occupation of the islands by Japan, gradually increased until on June 30, 1938 the number increased to 70,141 consisting of 42,418 males and 27,723 females. The majority of them live in the islands under the jurisdiction of the Saipan Bureau Branch, and most of them are engaged in agriculture.

Foreigners.—At the time of Japan's occupation of the islands there were about 100 foreigners, mostly German missionaries and merchants. Later these Germans left the islands. At one time there were only a handful, or ten odd foreigners, English and American, in the islands. In 1921 over 30 Spanish missionaries came to the islands. Since then the islands have gradually been inhabited by Germans and Belgians. The greater number of them are concerned either directly or indirectly with religious work.

The inhabitants classified by islands and nationality are tabulated below:—

Table 4. Inhabitants Classified By Islands

April 1.	Japanese*		Natives		Foreigners		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
1927	6,392	3,587	25,286	23,475	65	11	31,743	27,073
1932	16,003	9,763	25,882	34,163	68	30	41,953	33,956
1933	18,801	11,869	25,886	24,201	68	32	44,755	36,129
1934	21,006	14,322	25,870	24,304	69	34	46,945	36,660
1935	28,870	18,542	26,453	24,603	64	33	55,387	43,178
1936	32,608	22,155	25,714	24,297	68	41	58,390	46,493
1937	34,706	24,274	26,116	24,625	79	47	60,901	48,946
1938 (June)	42,418	27,723	26,145	24,723	65	54	68,628	52,500
Saipan	25,564	19,427	2,126	2,066	9	12	27,699	21,505
Yap	808	311	2,976	2,835	6	3	3,790	3,149
Palau	10,582	5,087	3,404	2,973	16	15	14,002	8,075
Truk	2,547	1,110	7,480	7,570	17	8	10,044	8,688
Ponape	2,604	1,597	4,956	4,444	13	16	7,573	6,057
Jaluit	313	191	5,203	4,835	4	—	5,520	5,026
Total	42,418	27,723	26,145	24,723	65	54	68,628	52,500

Note: Inclusive of Chosenese which represent about 1%.

Japanese immigrating into the islands show an increase yearly. Whereas in 1930 there were only 15,656 Japanese in Saipan the number more than doubled five years later, the population on April 1, 1937 amounting to 42,688.

The number of births, deaths, and the death rate to 100 births for the last few years are returned as follows:—

Table 5. Movement of Population

	Total			Japanese & Foreigners			Natives		
	Birth	Death	Increase	Birth	Death	Increase	Birth	Death	Increase
1931	2,416	1,450	966	1,187	386	801	1,229	1,064	165
1932	2,622	1,502	1,120	1,433	307	1,126	1,190	1,195	– 5
1933	3,279	2,113	1,166	1,717	476	1,241	1,562	1,637	–75
1934	3,131	1,642	1,489	1,920	540	1,380	1,211	1,102	109
1935	3,876	1,783	2,093	2,573	692	1,881	1,303	1,091	212
1936	3,673	1,725	1,948	2,384	633	1,751	1,289	1,092	197
1937	4,040	1,817	2,223	2,771	728	2,043	1,269	1,089	180

FINANCE

The budget estimates for the South Seas Office, like the general budget of the Japanese Government, must annually obtain the approval of the Imperial Diet as required by the Constitution. The Financial Law of Japan as well as the special financial law for the South Seas Office applies to the estimates (revenue and expenditure).

The accounts of the South Seas Office are independent of the general account of the Japanese Government, and are dealt with as special accounts. The expenditure of the South Seas Office is met from the revenue collected by the Office plus a subsidy from the general accounts of the Japanese Government. The Government should draw up estimates of the revenue and expenditure under the special accounts of the South Seas Office and submit them to the Imperial Diet together with the general budget of its revenue and expenditure.

The revenue and expenditure for the last few years are shown below:—

Table 6. Revenue and Expenditure
(¥1,000)

Year Ending Mar. 31:	Revenue			Expenditure		
	Ordinary	Extraordinary	Total	Ordinary	Extraordinary	Total
1932	4,699	2,999	7,698	2,432	2,143	4,576
1933	4,819	3,134	7,953	2,500	2,233	4,733
1934	5,011	3,237	8,248	2,755	2,527	5,282
1935	5,118	2,979	8,098	2,914	2,478	5,393
1936	6,555	2,720	9,276	3,082	2,742	5,825
1937	6,505	3,652	10,157	3,416	3,189	6,606
1938	7,173	3,567	10,740	3,690	4,982	8,672
1939 (Budget)	9,408	496	9,904	4,548	5,127	9,675
1940 (Budget)	10,545	396	10,941	5,009	5,830	10,839

Table 7. Summary of Revenue and Expenditure

(A) Revenue (Unit: ¥1,000)

Year Ending Mar. 31:	Ordinary account					Extraordinary account			
	Tax & Duty	Govt. undertaking	Stamp	Miscellaneous	Total	Sales of Govt. property	Surplus from previous year	Total incl. others	Grand Total
1935	2,800	2,273	23	23	5,118	14	2,966	2,980	8,098
1936	4,191	2,322	22	22	6,556	16	2,705	2,720	9,276
1937	3,672	2,727	59	48	6,505	202	3,450	3,652	10,158
1938	5,513	1,493	58	109	7,173	15	3,551	3,567	10,740
1939 (Budget)	7,536	1,765	26	82	9,408	124	282	492	9,904
1940 (Budget)	8,732	1,721	38	54	10,545	157	146	396	10,941

(B) Expenditure

		Extraordinary Account						
	Ordinary account	Public & Repair works	Encouragement & Subsidies	Land Surveying	Development of South Seas Islands	To general accounts	Total	Grand Total
1935	2,915	1,224	1,204	47	—	—	2,479	5,394
1936	3,083	1,213	1,322	46	—	—	2,743	5,826
1937	3,417	935	969	43	299	450	3,190	6,607
1938	3,690	691	1,123	68	2,000	1,100	4,982	8,672
1939 (Budget)	4,548	594	1,353	48	2,356	700	5,127	9,675
1940 (Budget)	5,009	716	1,440	86	2,773	700	5,830	10,839

RELIGION

In the mandated territory the propagation of and belief in any religion is entirely free, and no restriction whatever is placed thereon, no matter whether the persons concerned are Japanese, foreigners or natives, as long as it does not prejudice the public peace or good morals. As a matter of fact, since the inauguration of the mandatory administration no instance of any prohibition or restriction on account of prejudice to the public peace or good morals has occurred in the territory.

During the Spanish and German regimes, owing to the zealous evangelistic work carried on by Christian missionaries, many natives embraced Christianity, with the result that it is no exaggeration to say that to-day the religion of the natives is exclusively Christianity. The effects of the propagation of Christianity are so remarkable that the fact of the islanders being generally genial in disposition is said to be due chiefly to Christian influence. The East Hongwanji of Kyoto established a mission station in Saipan in 1919 and another in Palau in 1926 for the benefit of Japanese believers. Then Tenri-kyo, a denomination of Shinto, established a church at Palau and commenced the propagation of its creed in 1929.

Table 8. Statistics of Religious Parties

	Tenrikyo			Buddhism			Christianity		
	Churches	Priests	Followers	Churches	Priests	Followers	Churches	Missionaries	Followers
1934	2	3	126	5	7	23,262	142	167	40,874
1935	2	3	129	6	11	26,150	141	156	40,749
1936	2	3	119	7	14	26,561	141	165	39,569
1937	2	3	111	9	13	40,338	140	171	39,916
1938	1	1	21	11	16	46,716	148	176	40,054

EDUCATION

In December, 1915, the Regulations for Primary Schools in the South Sea Islands were promulgated and primary schools were established in Saipan and five other places, to commence the education of native children. In July, 1918, the Regulations for Native Schools in the South Sea Islands were enacted and the primary schools were thereafter re-named native schools. The teaching staff was also augmented in force and additional schools were established.

In April, 1919 the Regulations for Primary Schools in the South Sea Islands were enacted for the education of Japanese children, and primary schools were established in Saipan and Truk, and later in Palau, Yap and Ponape.

On the establishment of the South Seas Office, the Regulations for the Organization of the South Seas Primary Schools and the Regulations for the Organization of the South Seas Office Public Schools were promulgated, defining the organization and sphere of these schools. The native schools were thereby renamed public schools, and the regulations governing primary and public schools were revised.

Further, for the vocational education of natives the Apprentice Woodworkers Training School was established in April, 1926, attached to the Korror Public School under the jurisdiction of the Palau Branch Office.

To this school are admitted boys from all districts selected from among those who have completed the course of instruction at public schools and have gone through the supplementary course, and there they are given instruction in building and carpentry.

Primary Schools.—The primary school is principally intended for the primary education of Japanese children and is divided into two courses, ordinary and higher. On the 30th of April, 1938 there were throughout the islands 23 primary schools, six of which were provided with higher courses. Teachers numbered 108 and pupils 6,013.

Public Schools.—As of June, 1938 there were 138 primary and higher primary schools with an enrolment of 7,688 and a teaching staff of 155. As a rule, children eligible to attend a public school are those of natives, who are above eight years of age. The institution gives primary education to native children, its fundamental object being the imparting of moral senses as well as of such knowledge and capacity as are indispensable to advancement of the living of the native population, with due regard at the same time, to their physical development.

Private Educational Institutions.—The educational institutions established by private bodies were formerly confined to mission schools belonging to Christian churches. In 1927, however, two kindergartens and one private public school were established. At the end of April 1937 there existed nine private schools (consisting of one public school and eight kindergartens) with 24 teachers and 501 pupils.

Table 9. Primary Schools

	No. of Schools		No. of Class						No. of Teachers		No. of Pupils					
			Primary		Higher		Total				Primary		Higher		Total	
	A.	B.	A.	B.	A.	B.	A.	B.	A.	B.	A.	B.	A.	B.	A.	B.
1929 ..	9	21	23	44	2	10	25	54	19	78	611	2,043	48	489	659	2,532
1935 ..	17	24	63	48	8	11	71	59	75	83	3,532	2,350	404	637	3,936	2,987
1936 ..	17	24	72	48	12	11	84	59	83	82	4,009	2,334	496	620	4,905	2,954
1937 ..	21	24	88	48	12	11	100	59	101	81	5,159	2,399	547	612	5,706	3,011
1938 ..	23	24	108	48	12	11	120	59	131	84	6,013	2,448	624	649	6,637	3,097

Note: A. Represent ordinary Schools.
B. Represent schools for natives only.

JUSTICE AND POLICE

Judicature

Simultaneously with the establishment of the South Seas Office in 1922, the Courts of Justice theretofore forming part of the machinery of the Civil Administration Department were abolished, and Local Courts and a Higher Court were established in their place, judicial officials independent of the executive being appointed thereto to deal with civil and criminal cases. All judicial affairs in the mandated territory are to be dealt with at those courts except in such a place where there are no courts of justice, and the head of the branch bureau is authorized to deal with certain civil cases and also to render summary judgment in criminal cases of comparatively minor gravity.

Courts of Justice.—The Courts of Justice are organized on a double instance system. A court of first instance is called Local Court, and a single judge system is adopted in such courts. A court of second instance is called Higher Court, and a bench system is here adopted, three judges constituting the bench.

The Local Court gives decisions in the first instance in civil and criminal cases, besides dealing with non-contentious cases. It also has jurisdiction over judicial reconciliation, summary procedure, compulsory execution against immovable property and vessels, the procedure for public summons, bankruptcy proceedings, reconciliation proceedings, summary proceedings for taking up entrusted criminal cases, etc.

The Judge of a Local Court deals with the drawing up of notarial deeds, the authentication of private documents and other matters included in the functions of notary in Japan, and the clerks of a Local Court deal with the delivery of documents, notifications, summons, compulsory execution against movable property and voluntary sales by auction of movable property, the drawing up of protests for non-acceptance, the collection of fines, the disposal of confiscated articles, the execution of warrants and other matters constituting the functions of a bailiff in Japan.

The Higher Court reviews cases on appeal from the judgments of the Local Courts, the decisions given being in the second instance and final.

A Public Procurator's Office is attached to each of the Courts of Justice, its sphere of jurisdiction being the same as that of the Court to which it belongs.

The Public Procurator directs and superintends the judicial police in the detection of the offenders, brings judicial proceedings before the Court of Justice and directs and superintends the execution of judgments rendered.

One Public Procurator in regular employment is appointed for all the Public Procurator's Offices and is stationed ordinarily in Palau Island. The function of the Public Procurator is entrusted to Police Inspectors at the Public Procurator's Office attached to the Local Courts at Ponape and at Saipan but grave cases are usually reserved for the direct action of the Public Procurator. The Public Procurator is the central organ of detective service, and Police Inspectors and Police Sergeants, who are administrative police officers, assist the Public Procurator and engage in detective service under his direction in the capacity of judicial police officers. The head of a branch bureau and the Police Superintendent in the capacity of judicial police officers have the same competence as the Public Procurator in regard to detective service. The Local Courts are established in three places, namely, Palau, Saipan and Ponape, and the Higher Court in Palau.

In 1937 the number of criminal cases tried at the courts of justice was 276, persons found guilty numbered 272.

Police

After the complete withdrawal of the naval forces from the Islands in April, 1922, the maintenance of peace and order in the territory was placed exclusively in the hands of the police.

This necessitated an augmentation of the police force. Accordingly, for the management of affairs concerning police, sanitation and the execution of sentences, a police superintendent, police inspectors, police sergeants and policemen have been appointed to the South Seas Office, and police inspectors, police sergeants, policemen and native policemen to each branch bureau. The number of police offices including branches and the personnel of the police are as follows:—

Table 10. Number of Police Offices and of Police Officers

(At the end of Aug., 1937)

	No. of police offices incl. branches	Police super-intendents	Police inspectors	Police sergeants	Chief police-men	Police-men	Native Police-men	Total
South Seas Office	—	1	3	3	4	2	—	12
Saipan Branch Bureau	14	—	3	4	5	42	12	73
Yap " "	5	—	1	—	1	6	6	15
Palau " "	8	—	1	1	2	15	12	31
Truk " "	5	—	1	—	1	9	7	19
Ponape " "	7	—	1	2	14	11	9	37
Jaluit " "	8	—	1	—	1	7	6	15
Total	42	1	11	9	28	92	52	202

Sanitation

The number of hospitals and physicians, nurses, etc. in recent years are as follows:—

Table 11. Number of Hospitals, Physicians, etc.

	Hospital								
	Government	Public	Private	Total	Physician	Dentist	Pharmacist	Midwife	Nurse
1927	8	..	..	8	25	5	7	9	10
1935	8	..	2	10	48	15	10	46	34
1936	8	..	2	10	49	16	10	49	13
1937	8	..	6	14	64	16	11	64	57

AGRICULTURE

The agricultural industry carried on by natives is in a very primitive state. They have no system of cultivation, growing extensively only a few crops such as tapioca, taro potatoes and yam potatoes by rotation. Though the most part of the best situated and really fertile tracts of land belong to natives, the greater portion of such land still remains undeveloped. If they were more enlightened in agricultural knowledge and taught advanced methods of cultivation, their prosperity would be remarkably advanced. With this in view, since the Islands came under Japanese administration, the authorities have been endeavouring in various ways to instruct and lead them in this respect. At the end of 1937, the total area under cultivation approximated 23,669 cho of which 1,401 cho were paddy, 22,268 cho upland. The area, the number of farming households and of population are as follows:—

Table 12. Number of Farming Population and Area Under Cultivation

	Farming		Area (cho)			Area per Household	
	Household	Population	Paddy	Upland	Total	Paddy	Upland
1928	6,338	42,967	1,215	9,584	10,799	0.15	1.14
1934	11,625	31,716	1,399	16,493	17,892	0.12	1.43
1935	12,266	31,943	1,400	19,403	20,803	0.11	1.58
1936	11,824	31,479	1,401	21,161	22,561	0.11	1.78
1937	12,954	35,444	1,401	22,268	23,669	0.11	1.72

Table 13. Principal Agricultural Production

(Quantity in 1,000 Kwan; Value in ¥1,000)

	Rice		Beans & Peas		Other Cereals		Vegetables		Fruits		Special Crops		Total Value
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
1930	0	0	13	6	29	11	2,726	557	5,553	747	60,326	1,366	2,687
1931	0	0	11	5	25	12	2,509	400	5,177	754	102,969	1,575	2,746
1932	10	5	11	5	35	13	3,042	476	4,988	723	108,025	1,598	2,821
1933	7	4	11	5	27	11	2,392	482	6,258	938	111,758	1,850	3,290
1934	7	4	12	5	29	12	2,657	548	6,248	920	6,284	1,858	3,347
1935	7	4	11	4	51	19	2,105	439	5,534	842	151,432	2,756	4,065
1936	8	5	20	13	67	23	2,965	583	4,932	835	125,186	2,403	3,862
1937	37	7	58	10	71	9	14,474	709	28,296	1,322	555,878	2,797	4,855

Sugar.—At present the sugar industry is carried on in Saipan and Tinian, and the cultivation of sugar cane is mostly confined to those two islands, the production of the other islands being small and almost entirely consumed locally. The total area of sugar plantations in 1916-17 was 20 cho. In 1937 it was up to 11,513 cho producing 198,506 m. tons of sugar cane valued at ¥2,310,500.

Coffee.—Coffee suits the climate and soil of the islands and it has long been grown there. But the production was not large in quantity and was chiefly consumed at home. Recently many Japanese have started its cultivation in Saipan with good prospects of making a fair profit if the work be afforded encouragement. Accordingly the Government since 1927, has made grants-in-aid to cultivators of coffee.

Table 14. Output of Fruits

(Volume in 1,000 Kwan; Value in ¥1,000)

	Bread Fruits		Banana		Papaia		Pineapple		Total incl. others	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
1930	3,857	462	684	133	782	85	172	46	5,553	747
1931	3,797	547	485	89	734	73	108	26	5,177	754
1932	3,582	512	523	98	739	74	100	24	4,988	723
1933	5,042	708	596	121	446	73	135	29	6,258	938
1934	5,023	704	547	113	432	51	223	47	6,248	920
1935	4,747	667	456	99	37	12	261	59	5,534	842
1936	4,283	728	267	49	35	8	319	41	4,932	835
1937	25,312	1,162	1,090	47	562	41	1,232	66	28,296	1,322

Table 15. Output of Special Crops

(Volume in 1,000 Kwan; Value in ¥1,000)

	Cotton		Sugar-cane		Tobacco		Coffee		Tapioca		Total value incl. others
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	
1930	5.5	6.9	59,567	1,180	3.8	28.7	19.8	4.9	729	144	1,366
1931	4.2	8.4	102,228	1,403	3.6	24.6	30.8	8.0	641	129	1,575
1932	4.8	9.6	107,282	1,426	3.2	23.6	52.9	13.1	677	124	1,598
1933	4.8	9.7	109,784	1,452	3.5	26.6	78.7	19.1	1,183	156	1,850
1934	16.4	8.6	103,845	1,636	2.6	18.4	81.0	20.1	2,339	172	1,858
1935	22.7	22.1	144,727	2,339	2.9	21.8	62.0	15.8	6,617	367	2,756
1936	27.9	27.5	118,970	1,883	1.1	8.9	100.0	25.1	2,695	372	2,403
1937	43.6	10.7	529,135	2,311	1.8	3.4	264.3	18.2	26,273	370	2,798

FORESTRY

As the islands are small in area, there are no forestry enterprises systematically undertaken, and no regulations have as yet been enacted concerning forestry, which is carried on in conformity with usage.

Timber trees in the islands are sonneratia acida, calophyllum inophyllum, terminalia catappa, pterocarpus indicus, intsia bijuga, serianthes grandiflora, kurogaki and elacocarpus sq.

As regards fruit trees, artocarpus incisa, cocos nucifera, cocoa edulis, anona muricata, pangium edule and mangifera indica may be mentioned, while fibre-yielding trees are pandanus sq., cocos nucifera, artocarpus incisa and hibiscus tibiaceus. Except cocos nucifera, however, these trees are not found in such large numbers as to merit mention.

Table 16. Production of Timber, Fagots and Charcoal

	Timber		Fagots		Charcoal		Total incl. other
	(Cubic meter)	(Yen)	(Cubic meter)	(Yen)	(M. tons)	(Yen)	(Yen)
1930	1,032	10,189	77,735	156,420	1,477	76,949	3,338,763
1931	1,101	8,308	108,234	199,394	1,407	42,901	3,570,139
1932	1,022	7,473	85,506	130,998	1,053	41,762	3,301,532
1933	3,243	15,193	61,337	11,299	903	37,851	3,418,856
1934	1,713	8,895	39,898	11,312	1,049	62,904	3,187,675
1935	4,985	17,318	40,898	11,210	1,541	66,753	4,208,206
1936	3,795	12,803	51,355	14,765	1,075	40,855	4,565,650
1937	9,939	30,183	69,458	20,838	1,727	63,879	7,021,144

Coco-nut palms have been planted throughout the islands for many years. They grow very well and the copra obtained from them is not only the chief forest product and one of the most important articles of export, but constitutes an indispensable item of the daily diet of the natives. The area of palm forests and the production of copra obtained from them are tabulated as follows:—

Table 17. Output of Coco-nuts & Copra

	Copra		Coconuts	
	Volume (M. tons)	Value (Yen)	Volume (1,000 pcs.)	Value (Yen)
1930	11,487	967,612	106,269	2,125,380
1931	10,666	587,110	136,416	2,628,321
1932	10,063	706,312	120,683	2,413,666
1933	10,765	862,312	122,247	2,444,941
1934	12,175	570,726	123,583	2,471,650
1935	13,573	1,252,174	138,340	2,766,797
1936	13,000	1,672,418	136,625	2,752,506

FISHERIES

The noteworthy branches of fishery have hitherto been confined to the collection of sea-slugs, nilotic-top shells and tortoise shells, and in recent years bonito and tunny fishing has been started. Some native and Japanese catch other fish and collect other shells for their own consumption, but these are scarcely worth mentioning.

Nilotic-top shells are collected chiefly in Palau and Yap, and tortoise shells, chiefly in Palau, Yap, Truk and Ponape, but sea slugs are collected in every island. The fishing of bonito and tunny is carried on in the seas of Palau, Saipan and Truk.

In Palau and Ponape, some have been carrying on the culture of the pearl oyster. In Ponape the enterprise has, however, ended in failure owing to a lack of technical skill, but in Palau the industry has made very satisfactory progress.

In 1916 the "Regulations for the Fishing Industry in the South Seas Islands" were promulgated. In these regulations it is provided that as a rule persons desiring to engage in the industry shall obtain permission from the authorities, but fisheries recognized by local usage are allowed to continue without going through such a procedure. It is also provided, for the purpose of assuring the proper multiplication of nilotic-top shells, pearly oysters and tortoises, that they shall not be taken at other times than the specified periods. With regard to the acquisition of the fishery rights, no discrimination is made between natives, Japanese and foreigners, any and all persons who have obtained permission being free to engage in that occupation.

The following figures show the value of catches and manufactured marine products in the last few years:—

Table 18. Statistics on Fishery

	No. of fishing households	No. of fishing population	No. of fishing crafts: With engine	No. of fishing crafts: Without engine	Catches	Manufactures
1932	741	1,549	63	1,053	¥1,266,866	¥ 981,634
1933	803	1,539	62	314	1,790,322	1,747,595
1934	1,178	2,236	93	316	2,644,803	1,810,838
1935	1,093	2,356	108	265	1,641,357	2,238,858
1936	1,480	3,100	216	237	3,585,019	2,760,428
1937	1,837	4,755	..	..	6,862,588	5,484,774

Table 19. Fishery Catch and Products Classified

(Unit: ¥1,000)

	Catch: Bonito	Catch: Tunny	Catch: Horse Markerel	Catch: Total incl. Others	Shell fish	Manufactures: Dried Bonito	Manufactures: Dried Tunny	Manufactures: Total incl. Others
1932	944	51	51	1,182	65	718	60	892
1933	1,513	60	21	1,715	75	1,662	76	1,748
1934	2,205	116	11	2,469	135	1,715	85	1,811
1935	1,318	106	15	1,550	80	2,127	99	2,239
1936	1,479	110	20	1,689	1,900	2,671	75	2,760
1937	2,834	91	26	3,049	3,798	5,082	381	5,485

COMMERCE AND INDUSTRY

Commerce.—In sympathy with the opening of the archipelago and a growing number of Japanese immigrants, commerce is making swift developments. As at the end of 1938 there were 47 companies with paid up capital of ¥45,414,117 consisting of 15 commercial cos. 13 manufacturing cos. 9 fishery cos. 5 agricultural and forestry cos. throughout the islands. Business quarters in such leading islands as Saipan, Tinian and Palao are showing considerable prosperity, though not comparable to similar quarters in Japan. Many of the traders in the other islands transact in copras in addition to the sale of miscellaneous articles.

Industry.—The most important industry is the manufacture of sugar and its by-products, i.e. alcohol and alcoholic drinks in Saipan. Recently a certain number of persons have started the manufacture of soft beverages and canned fruits, but the amount of production is still quite small. The only handicraft of the natives is weaving fabrics from the leaves of palm and breadfruit trees. The following table shows the value and quantity of the principal goods manufactured in the islands for the last few years:—

Table 20. Industrial Production

(Unit: ¥1,000)

	Agricu'ture	Pastoral	Livestock	Forestry	Fishery: Catch	Fishery: Products	Mining	Mfg. Ind.	Total
1932	2,821	331	174	3,302	1,267	982	1,205	9,532	19,614
1933	3,290	440	209	3,419	1,790	1,748	1,309	15,001	27,206
1934	3,347	495	..	3,188	2,645	1,811	1,779	14,099	27,364
1935	4,065	531	308	4,208	1,641	2,239	1,762	20,716	35,470
1936	3,862	562	314	4,577	3,589	2,760	2,157	18,256	36,077
1937	4,855	659	356	7,021	6,863	5,485	....	25,015	50,254

Table 21. Principal Manufactured Goods

	Sugar (1,000 piculs)	Sugar (¥1,000)	Molasses (M. tons)	Molasses (¥1,000)	Alcoholic Liquor (1,000 litres)	Alcoholic Liquor (¥1,000)	Alcohol (1,000 litres)	Alcohol (¥1,000)	Ice (M. tons)	Ice (¥1,000)	Total incl. others (¥1,000)
1931	661	9,633	93,406	624	355	135	1,046	338	1,040	40	10,839
1932	678	7,317	13,097	218	516	212	1,500	416	1,705	59	8,313
1933	740	10,223	13,102	223	717	279	1,672	438	1,602	71	11,433
1934	751	10,245	10,557	179	641	232	1,762	431	2,867	108	11,493
1935	1,123	15,527	9,273	169	855	332	1,826	515	2,969	98	17,164
1936	819	14,265	13,224	1,273	1,031	386	2,551	1,440	3,283	115	18,371
1937	976	18,851	19,053	3,239	1,222	520	2,668	1,030	5,013	220	25,015

Mining Industry

The principal mineral products obtainable in the islands and worthy of mention is phosphate. Sulphur and manganese are also found but only in small quantities, and are scarcely worth mentioning. The mining industry in the islands is to be undertaking in accordance with the "South Sea Islands Mining Regulations" promulgated in 1916. The Regulations provide that persons desiring to undertake mining enterprises are to apply to and obtain permission from the Director of the South Seas Office, and that any persons irrespective of nationality may obtain mining rights. A person intending to undertake mining operations may enter on land, the property of other persons, and make surveys or investigations thereof or make use of it after obtaining permission from the head of the competent branch bureau. In that case he must pay rent to the owner of the land and pay compensation for all damages sustained.

The head of the competent branch bureau may, with the permission of the Director of the South Seas Office, issue the necessary rule for the safeguarding of public welfare and deposits of minerals.

In case a miner is injured, fallen ill or killed while working, otherwise than by his own negligence, the person undertaking the mining operations is under the obligation to support him or his bereaved family. He is also under the obligation to pay a certain mining tax.

Phosphate is mostly found in the Augaur Islands, which were formerly managed by a German company called the South Seas Phosphate Mining Company, Ltd. but in 1922 it was placed under the management of the South Seas Office. In 1936 with the establishment of the South Seas Development Company the phosphate business was transferred to the said company.

Bauxite.—Laterite which contains a high percentage of bauxite is found in the islands of Palau, Ponape, Yap. It is calculated that the total deposits of the mineral is approximately 4,000,000 metric tons. With the rapid increase in demand of aluminum, the development of this particular enterprise is attracting much attention.

Table 22. Production of Refined Phosphate

	Quantity (Ton)	Value (Yen)
1931	60,203	1,125,769
1932	65,610	1,205,172
1933	70,336	1,308,840
1934	72,148	1,778,750
1935	70,468	1,762,310
1936	84,773	2,156,714
1937	132,428	3,533,605

FOREIGN TRADE

Trade carried on in the mandated territory may be classified as trade between the territory and Japan and dependencies and that between the territory and foreign countries. Most of the trade is conducted between the territory and Japan and the dependencies.

Exports and imports between the islands and Japan and the dependencies are carried on at nine ports namely, Saipan, Tinian, Yap, Palau, Augaur, Truk, Ponape, Kusaie and Jaluit.

No duties are imposed on such imports and exports, in principle, but as an exception there is the institution of port clearance dues. Trade with foreign countries is carried on at Saipan, Palau, Augaur, Truk and Jaluit. No duties are imposed on exports, but customs duties are collected on imports.

Table 23. Imports and Exports

(Unit: ¥1,000)

	With Abroad				With Japan			
	Export	Import	Total	Excess	Export	Import	Total	Excess
1932	49	333	382	284	13,849	6,255	20,104	7,594
1933	584	439	1,023	145	18,156	8,550	26,706	9,605
1934	1,964	335	2,298	1,629*	16,461	12,635	29,096	3,825
1935	2,632	601	3,234	2,031*	23,741	14,620	38,362	9,122
1936	303	2,631	2,934	2,327*	24,957	16,450	41,406	8,507
1937	388	1,268	1,656	880	37,864	21,997	59,861	15,868

Note: * Indicates excess of export.

Chief exports are phosphate, copra, sugar, and alcohol, their combined value constituting more than 74% of the total value of exports. Nilotic-top shells and sea-slugs are gathered, as a rule, every other year out of regard for their replenishment, so that the value of those articles exported differs from year to year. Nearly all the exports go to Japan, the exports to foreign countries being very small quantities of miscellaneous articles going to Guam from Saipan and to the Gilbert Islands from Jaluit.

Chief imports are rice and other foodstuffs and drinks, cloth and articles made of cloth, wearing apparel and trinkets, articles made of metal, timber and articles made of wood, oil and wax and fat and articles made thereof, minerals and manufactures thereof. The combined value of those articles constitutes about 75 per cent. of the total value of the imports. Below are given the data of staple articles of export and import in the last few years:—

Table 24. Staple Exports (inclusive of exports to other parts of the Japanese Empire)

(In ¥1,000)

	Sugar	Dried bonito	Alcoholic Liquor	Nilotic-top shells	Alcohol	Phosphate	Copra
1931	9,237	701	43	58	295	865	1,127
1932	9,605	906	97	77	388	1,081	1,173
1933	12,913	1,512	121	89	391	1,362	1,509
1934	12,381	1,812	55	107	465	1,391	1,077
1935	18,134	2,216	69	87	595	2,166	1,756
1936	12,989	2,725	105	66	764	2,856	2,041
1937	19,565	5,771	19	849	2,399	3,307	15

Table 25. Staple Imports (inclusive of imports from other parts of the Japanese Empire)

(In ¥1,000)

	Rice and Paddy	Alcoholic Liquor	Cigarettes	Oil, wax etc.	Cloth, etc.	Machineries, etc.	Wood and Mfrs.
1931	757	257	296	378	562	...	499
1932	1,054	311	313	496	661	462	353
1933	1,245	414	405	647	818	372	639
1934	1,525	474	468	852	906	2,629	958
1935	2,118	634	592	1,247	1,344	2,028	1,048
1936	2,701	702	646	1,493	1,118	2,153	1,208
1937	2,682	1,087	823	1,579	1,866	2,875	1,438

COMMUNICATIONS

Postal Business.—As the post-offices are located in the islands scattered over a great expanse of water and are widely separated from one another, communications are entirely dependent on ships, and all mail matters are despatched and received when vessels on regular services call at the respective islands. The occasions on which postal matters are despatched and received in a year number 25 at the Saipan post-office, 13 at the Yap post-office, 18 at the Palau and Angaur post-offices, and 11 each at the Truk, Ponape and Jaluit post-offices. When casual vessels call, advantage is taken of it to make an extraordinary despatch, so as to secure

early delivery. Among the foreign mails, those destined for the Dutch East Indies have been allotted an exchange office, viz., the Palau post-office and they are sent thence to the post-office at Menado in the Celebes by vessels regularly plying between the two places. Also on August 1, 1927, the Jaluit post-office was made an exchange office for the British Gilbert Islands, and the despatch was commenced of postal matters to the Btaritary post-office.

Telegraphic Business.—Telegrams and wireless telegrams in Japanese or European languages, destined to or coming from Japan proper or foreign countries, are dealt with, delivered, and transmitted.

Telegraphic communication is accomplished by means of submarine cables, one being the Yap-Nawa line and the other the Yap-Guam line. The former is used for sending and receiving telegrams to and from Japan proper and foreign countries, and the latter for telegrams to and from the United States and the Philippines.

There is a wireless installation at every post-office, and the business of the coast stations and the fixed stations is dealt with there. The wireless in Palau is in direct communication with Japan proper, and, besides connecting the islands with Japan proper, controls the connections between the post-offices in the islands. The wireless in Truk chiefly functions as an intermediary between Palau and the islands in the east, and being in direct communication with Rabaul (Bismarck Group), deals with messages between the islands and other places in the Southern Pacific. The wireless installations of other post-offices connect with each other.

Table 26. No. of Mail & Telegrams, etc.

(Unit in 1,000)

Year Ending Mar. 31:	Mail				Telegrams							
	Ordinary		Parcel		Domestic		Foreign		Total		Transmitted	
	Despatched	Delivered	Desp.	Del.	Desp.	Del	Desp.	Del.	Desp.	Del.	Domestic	Foreign
1933	1,048	1,686	10	37	126	112	1.8	0.4	128	112	141	0.6
1934	1,472	1,995	11	44	171	151	1.8	0.5	173	152	194	1.2
1935	1,542	2,402	13	51	214	184	1.8	0.4	216	185	267	0.6
1936	1,856	2,862	14	58	252	218	2.1	0.7	254	218	321	0.9
1937	2,380	3,302	18	65	289	243	3.2	2.0	292	245	371	1.1
1938	2,207	3,671	24	81	362	299	3.0	2.0	365	302	455	0.7

Telephone Service.—In July, 1927, the "Rules for the Telephone Service in the South Sea Islands" were issued by the South Seas Office and subsequently the Palau post-office opened the service on September 1 of the same year and the Saipan post-office on July 21, 1928.

Postal Money Order and Savings Bank Business.—Postal Money Orders for Japan proper and foreign countries and the deposit and payment of postal savings are dealt with. The method of handling these branches of postal business is the same as in Japan proper. Statistics on the abovementioned business are tabulated as follows:—

Table 27. Postal Money Orders and Postal Savings

Year ending Mar. 31:	Postal Money Orders (¥)				Postal Savings (¥1,000)			
	Domestic		Foreign					
	Issued	Paid	Issued	Paid	Amount of deposits	Amount of refundment	outstanding at end of year	Amount per depositor (¥)
1933	4,718	4,061	5.7	6.6	1,507	1,311	1,620	129.05
1934	5,834	5,386	4.1	4.3	2,132	1,686	1,892	103.25
1935	6,785	5,891	2.2	2.8	2,010	1,816	1,961	89.63
1936	7,720	6,787	3.5	5.6	2,522	2,198	2,186	86.37
1937	8,248	7,866	6.1	9.4	3,252	2,568	2,690	91.34
1938	12,431	7,141	12.2	4.0	7,332	6,271	3,468	92.95

RAILWAYS

There is no railway in the islands for the public. The only railway existing are a light railway, 18 kilometers in length, in Angaur, for the carriage of phosphate, and another 211 kilometers in length, in Saipan constructed by the Nanyo Kohatsu Kaisha for the benefit of its sugar industry. Of the latter railway, the section between Garapan and Charankanoa, about 4 miles, is open to traffic for the convenience of the public. Vehicles, classified according to kinds, are; bicycles 13,028, ox-cart 3,282, wagons 220, cars 3,536 totalling 16,593, exclusive of automobiles at the end of December, 1937.

South Seas Colonization Company, Limited

The South Seas Colonization Company was established on November 27, 1936 in accordance with the South Seas Colonization Company Act promulgated on July 27 of the same year by an Imperial Ordinance. The Company is to the South Seas under Japanese mandate what the Formosa Development Company is to Formosa. The authorized capital of the Company is ¥20,000,000 in 400,000 shares of ¥50.00 each. Of that amount of capital, ¥10,546,000 is put up by the Government in the shape of the right of mining phosphatic ores in Angaur and other islands and the property connected therewith. Of the ¥20,000,000 capital, ¥12,909,500 is paid up. The Company has its head office in Korror Island (Palau Group) and a branch office in Tokyo.

The particulars of the business of the Company are as follows:—

(1) Agriculture, fisheries, mining and shipping which are necessary for colonization.

(2) Emigration which is necessary for colonization.

(3) Acquisition, management and disposal of land (inclusive of lease and other rights in connection with land) which are necessary for colonization.

(4) Management and supervision of land on trust.

(5) Supply of goods necessary for colonization to farmers, fishermen and immigrants, purchase or sale of their products, or improving on them.

(6) Supply of funds necessary for colonization.

(7) Enterprises incidental to the business mentioned above.

(8) Other business than those itemized above, which are necessary for colonization.

Recent Activity of the Nanyo Takushoku K.K.
(South Seas Development Co.)

Rock phosphate mining.—The deposit of rock phosphate in Angaur Island is approximately 2,000,000 tons. During 1937, 118,000 metris tons of rock phasphate were mined by the Company from which 83,399 metric tons of refined products were made. Total exports of the product to Japan Proper in the same period amounted to 89,800 metric tons. As Fuais Island is also rich in phosphate reserves, it is estimated that total deposits are almost a half million tons. Mining in this island was put in operation since June 1938. Total investment by the Company for the mining of this particular mineral in the South Seas Islands was approximately ¥9,904,000 at the end of June 1928.

Table 28. Affiliated Companies of the Nanyo Takushoku K.K.
(the South Seas Development Co.)
(June 1938)

Name of Cos.	Kinds	Capital (¥1,000)	Shares	Shares held by Nanyo Takushoku
Pacific Pearl Co.	Pearl Fishery	¥1,200	24,000	23,500 (97%)
Nantaku Pineapple Co.	Tinned pineapples	2,000		20,860 (52%)
Nanyo Aluminium Ore Co. .	Mining of Bauxite and refinery ..	2,000	40,000	15,250 (38%)
Nanyo Electric Co.	Supply of power & light	500	10,000	5,000 (50%)
Nanko Marine Products Co.	Fishery, cannery & ice plant	2,700	54,000	26,190 (49%)
Japan Pearl Co.	Pearl Fishery	1,500	30,000	14,875 (50%)
Total investment by the Nanyo Takushoku			¥3,631,000	

Table Nos.: 1-5 a, 6-7 b, 8-27 a, 28 c.
Key: a—Nanyo-cho (South Seas Govt.)
b—Dept. of Finance.
c—Nanyo Takushoku K. K.

Occupants of Leading Manchoukuo Government Posts, September, 1939

Minister of the Imperial Household	Hsi Chia (熙 洽)
Vice-Minister of the Imperial Household	Shizuo Arai (荒井靜雄)
Load Keeper of Privy Seal	Yuan Chin-kai (袁金鎧)
Chief Aide-de-Camp	General Chang Hai-peng (張海鵬)
President of Privy Council	Tsang Shih-i (臧式毅)
Vice-President of Privy Council	Toranosuke Hashimoto (橋本虎之助)

State Council:

Prime Minister	General Chang Ching-hui (張景惠)
Minister of Public Peace Dept.	General Yu Cheng-cheng (于琛澂)
Minister of People's Welfare Dept.	Sun Chih-shang (孫其昌)
Vice-Minister of People's Welfare Dept.	Shoichi Kanki (神吉正一)
Minister of Industry Dept.	Lu Jung-huan (呂榮寰)
Vice-Minister of Industry Dept.	Nenzo Kashimura (柏村稔三)
Minister of Finance & Commerce Dept.	Han Yun-chieh (韓雲階)
Vice-Minister of Finance & Commerce Dept.	Reisuke Matsuda (松田令輔)
Minister of Communications Dept.	Li Shao-keng (李紹庚)
Vice-Minister of Communications Dept.	Takeo Iino (飯野毅夫)
Minister of Justice Dept.	Chang Huan-siang (張煥相)
Vice-Minister of Justice Dept.	Tokusuke Oikawa (及川德助)
Secr.-General, General Affairs Board	Naoki Hoshino (星野直樹)
Vice-Secr.-General, General Affairs Board........	Yoshitomo Susukida (薄田美朝)
" " " " "	Ku Tsu-heng (谷次亨)
Dir.-General, Foreign Office	Tsai Yun-sheng (蔡運升)
Dir.-General, Hsingan Office	Cha Ko-erh (札噶爾)
Dir.-General, Board of Audit	Shizuo Arai (荒井靜雄)*
Dir.-General, Decoration Board	Shou Yu-peng (壽聿彭)
Supt.-General, Metropolitan Police Board	Yu Ching-tao (于鏡濤)
President, Tatung Academy	Tadaya Inouye (井上忠也)
President, Kienkuo University	General Chang Ching-hui (張景惠)*
President, Institute of Scientific Research	Umetaro Suzuki (鈴木梅太郎)

Diplomatic & Consular Service:

Ambassador to Japan	Yuan Chen-tuo (阮振鐸)
Minister to Italy (also to Spain)	Hsu Shao-ching (徐紹卿)
Minister to Germany	Lu I-wen (呂宜文)
Consul-General at Hamburg	An Tsi-yun (安集雲)
Consul-General at Warsaw	Boku Shaku-in (朴錫胤)
Consul at Chita	Chu Shih-wei (朱世偉)
Consul at Blagovestchensk	Tsi Piu (際 彪)
Consul at Shingishu	Ku Chung-shan (谷中山)
Honorary Consul at Moji	Sazo Idemitsu (出光佐三)
Honorary Consul at Osaka	Riichi Ezaki (江崎利一)
Honorary Consul at Niigata	Ryosaku Shirase (白勢量作)

Governors of Provinces:

Fengtien: Chin Jung-kuei (金榮桂)
Kirin: Yen Chuan-fu (閻傳紱)
Antung: Huang Fu-tsun (黃富俊)
Cientao: Ri Han-eki (李範益)
Tunghua: Ting Chao (丁超)
Mutankiang: Saburo Shibuya (澁谷三郎)
Sankiang: Lu Yuan-shan (盧元善)
Pinkiang: Wei Huan-chang (韋煥章)
Heiho: Hsu Kuei-heng (許桂恒)
Lungkiang: Chao Peng-ti (趙鵬第)
Jehol: Chin Ming-shih (金名世)
Chinchow: Chiang En-chih (姜恩之)
Peian: Feng Kuang-min (馮廣民)
Tungan: Tatsuo Minoike (御影池辰雄)
Hsingan East: Eh Le-chun (額勒春)
Hsingan West: Ne-la-ko-erh-cha-pu (諾拉嘎爾札布)
Hsingan South: Shou Ming-a (壽明阿)
Hsingan North: Eh-lu-chin-pa-tuh (額爾欽巴圖)

Mayors of Municipalities:

Hsinking Special Municipality	Yu Ching-yuan (于靜遠)
Harbin Municipality	Chao Chen (趙 震)
Mukden "	Cheng Yu (鄭 禹)
Kirin "	Lu Chih-chin (路之淦)

Commanders of Army Districts:

1st (Mukden): Gen. Wang Ching-hsiu (王靜修)
2nd (Kirin): General Ki Hsing (吉興)
3rd (Tsitsihar): Lt.-Gen. Li Wen-ping (李文炳)
4th (Harbin): Lt.-Gen. Hsing Shih-lien (邢士廉)
5th (Chengteh): Lt.-Gen. Ying Chen-fu (應振復)
6th (Mutankiang): Lt.-Gen. Chang I-san (張益三)
7th (Chiamussu): Lt.-Gen. Chang-Wen-chu (張文鑄)
8th (Tunghua): Lt.-Gen. Wang Chi-yu (王之佑)

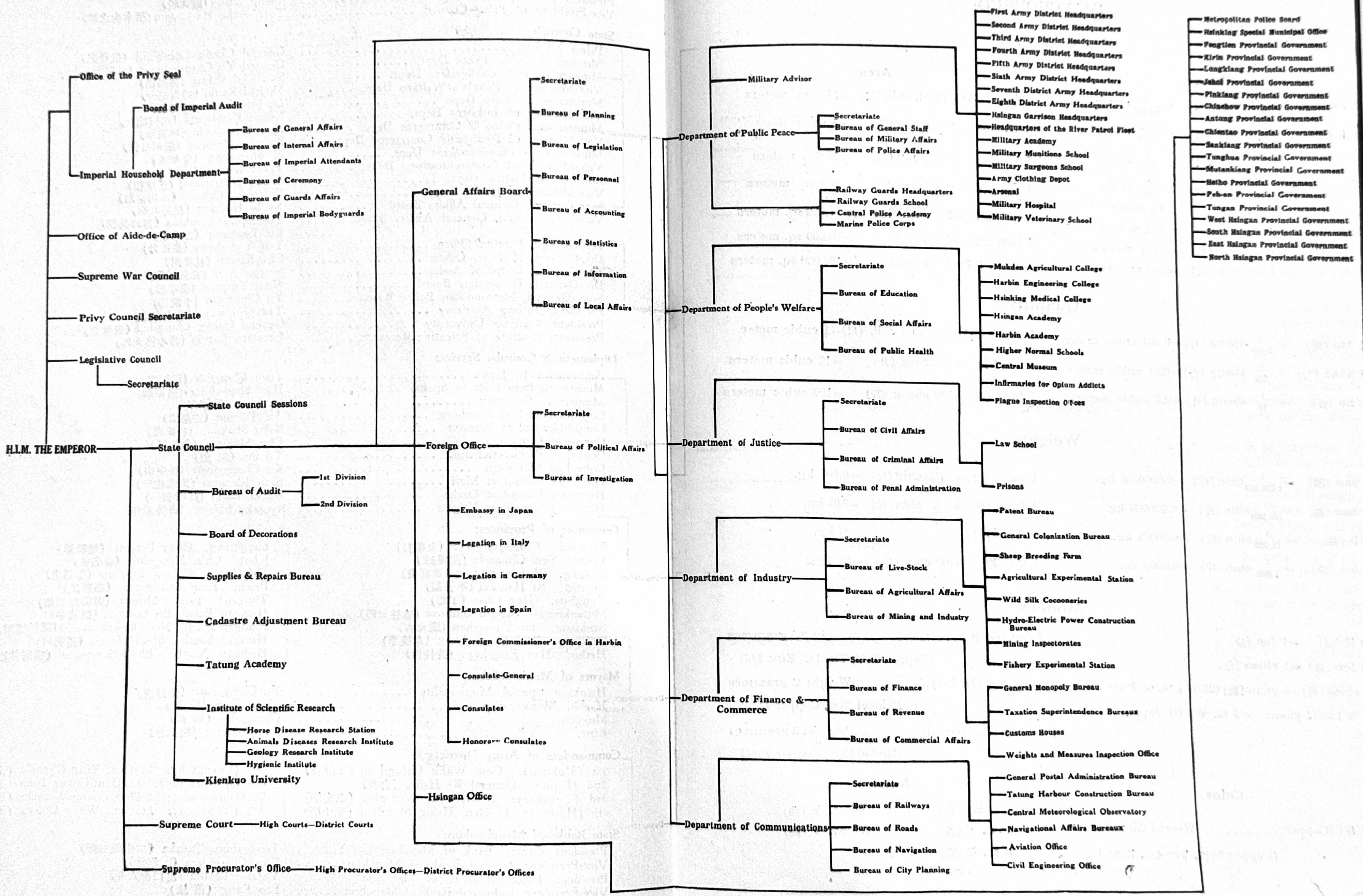
State Banks of Manchoukuo:

President, Central Bank of Manchou	Tetsusaburo Tanaka (田中鐵三郎)
Vice-President, Central Bank of Manchou	Kan Chao-hsien (闞朝洗)
President, Industrial Bank of Manchou	Yutaro Tomita (富田勇太郎)
Vice-President, Industrial Bank of Manchou	Pao Kang (葆 康)

Note: * Those holding two or more posts concurrently.

DIAGRAMMATIC CHART OF ORGANIZATION OF MANCHOUKUO GOVERNMENT

STANDING: NOVEMBER, 1939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Imperial Household Department
Bureau of General Affairs
Bureau of Internal Affairs
Bureau of Imperial Attendants
Bureau of Ceremony
Bureau of Guards Affairs
Bureau of Imperial Bodyguards
Office of Aide-de-Camp
Supreme War Council
Privy Council Secretariate
Legislative Council
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State Council
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1st Division
2nd Division
Board of Decorations
Supplies & Repairs Bureau
Cadastre Adjustment Bureau
Tatung Academy
Institute of Scientific Research
Horse Disease Research Station
Animals Diseases Research Institute
Geology Research Institute
Hygienic Institute
Kienkuo University
General Affairs Board
Secretariate
Bureau of Planning
Bureau of Legislation
Bureau of Personnel
Bureau of Accounting
Bureau of Statistics
Bureau of Information
Bureau of Local Affairs
Foreign Office
Secretariate
Bureau of Political Affairs
Bureau of Investigation
Embassy in Japan
Legation in Italy
Legation in Germany
Legation in Spain
Foreign Commissioner's Office in Harbin
Consulate-General
Consulates
Honorary Consulates
Hsingan Office
Supreme Court
High Courts—District Courts
Supreme Procurator's Office
High Procurator's Offices—District Procurator's Offices
Department of Public Peace
Military Advisor
First Army District Headquarters
Second Army District Headquarters
Third Army District Headquarters
Fourth Army District Headquarters
Fifth Army District Headquarters
Sixth Army District Headquarters
Seventh District Army Headquarters
Eighth District Army Headquarters
Hsingan Garrison Headquarters
Headquarters of the River Patrol Fleet
Military Academy
Military Munitions School
Military Surgeons School
Army Clothing Depot
Arsenal
Military Hospital
Military Veterinary School
Secretariate
Bureau of General Staff
Bureau of Military Affairs
Bureau of Police Affairs
Railway Guards Headquarters
Railway Guards School
Central Police Academy
Marine Police Corps
Metropolitan Police Board
Hsinking Special Municipal Office
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Jehol Provincial Government
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Secretariate
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Bureau of Social Affairs
Bureau of Public Health
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Harbin Engineering College
Hsinking Medical College
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Plague Inspection Offices
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Bureau of Criminal Affairs
Bureau of Penal Administration
Law School
Prisons
Department of Industry
Secretariate
Bureau of Live-Stock
Bureau of Agricultural Affairs
Bureau of Mining and Industry
Patent Bureau
General Colonization Bureau
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Agricultural Experimental Station
Wild Silk Cocooneries
Hydro-Electric Power Construction Bureau
Mining Inspectorates
Fishery Experimental Station
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Bureau of Commercial Affairs
General Monopoly Bureau
Taxation Superintendence Bureaus
Customs Houses
Weights and Measures Inspection Office
Department of Communications
Secretariate
Bureau of Railways
Bureau of Roads
Bureau of Navigation
Bureau of City Planning
General Postal Administration Bureau
Tatung Harbour Construction Bureau
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Aviation Office
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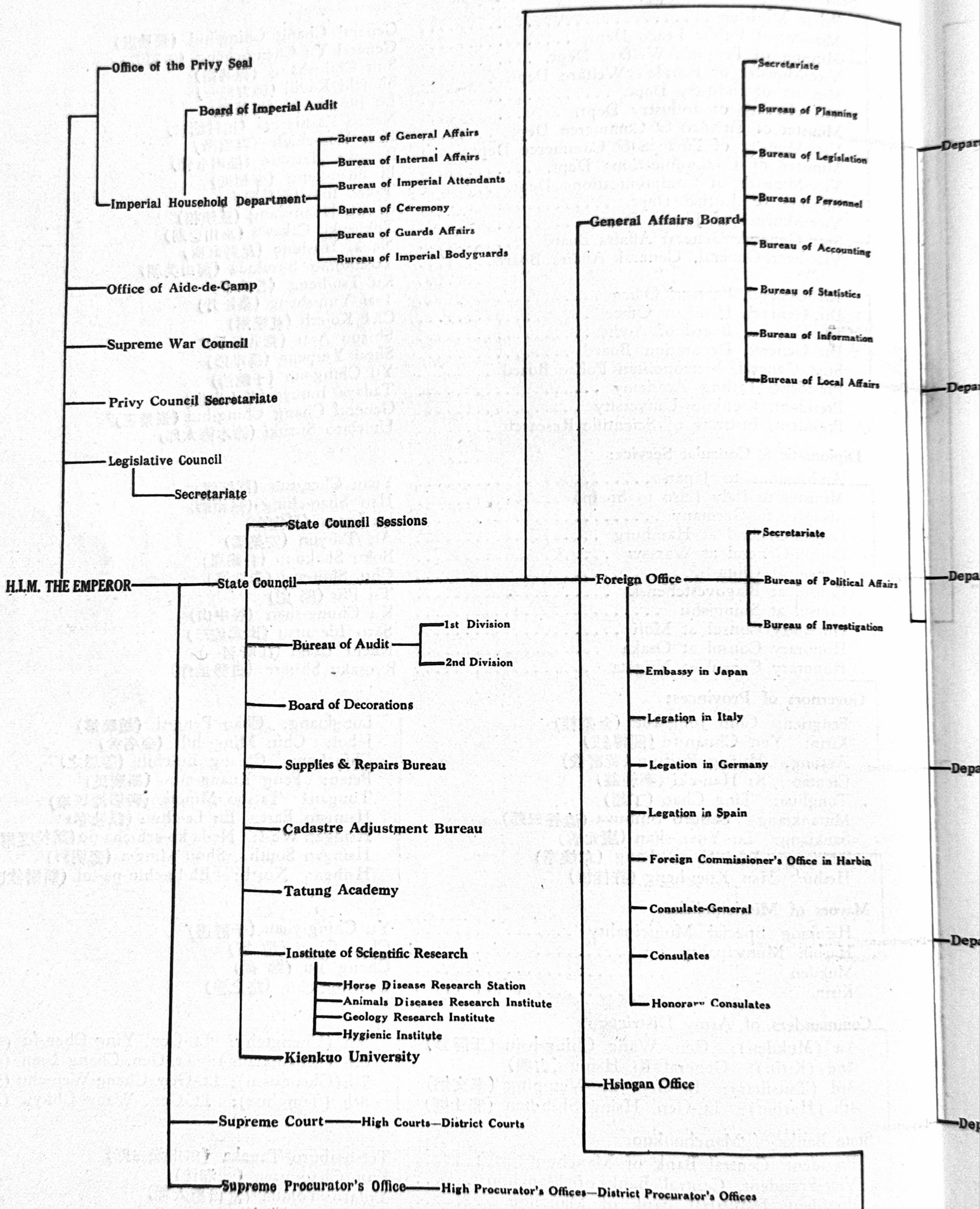
STANDING: NOVEMBER, 1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ORGANIZATION OF MANCHOUKUO GOVERNMENT

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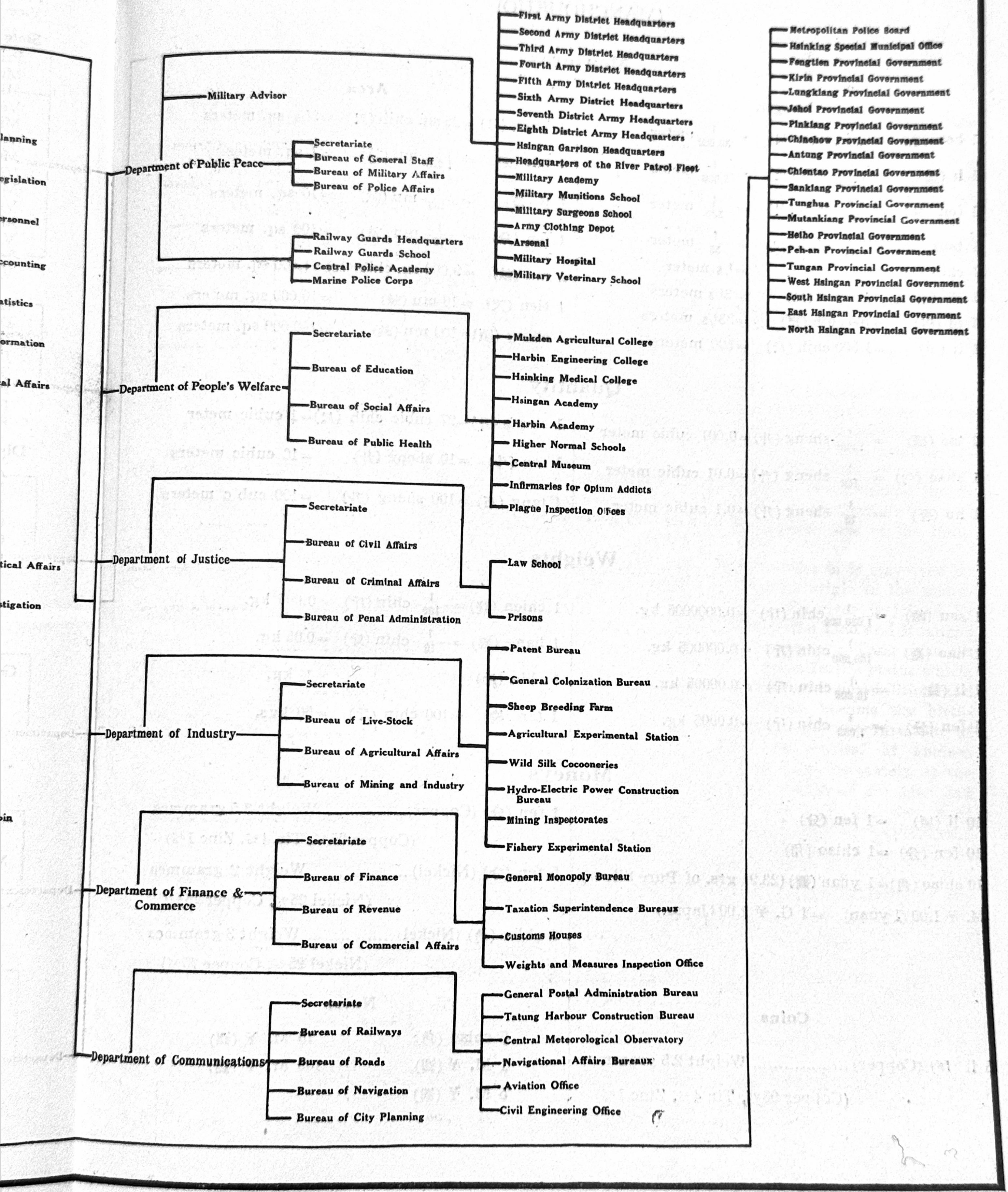
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South Hsingan Provincial Government
East Hsingan Provincial Government
North Hsingan Provincial Government

Weights, Measures and Moneys

(MANCHOUKUO)

Measures

Length

1 hao (毫)	$=\frac{1}{10,000}$ chih (尺)	$=\frac{1}{30,000}$ meter
1 li (釐)	$=\frac{1}{1,000}$ chih (尺)	$=\frac{1}{3,000}$ meter
1 fen (分)	$=\frac{1}{100}$ chih (尺)	$=\frac{1}{300}$ meter
1 tsun (寸)	$=\frac{1}{10}$ chih (尺)	$=\frac{1}{30}$ meter
1 chih (尺)		$=\frac{1}{3}$ meter
1 chang (丈)	=10 chih (尺)	$=3\frac{1}{3}$ meters
1 pi (引)	=100 chih (尺)	$=33\frac{1}{3}$ meters
1 li (里)	=1,500 chih (尺)	=500 meters

Area

1 kung (弓)	=25 sq. chih (尺)	$=2\frac{7}{9}$ sq. meters
1 hao (毫	$=\frac{1}{1,000}$ mu (畝)	=1 sq. meter
1 li (釐)	$=\frac{1}{100}$ mu (畝)	=10 sq. meters
1 fen (分)	$=\frac{1}{10}$ mu (畝)	=100 sq. meters
1 mu (畝)	=9,000 sq. chih (尺)	=1,000 sq. meters
1 tien (天)	=10 mu (畝)	=10,000 sq. meters
1 ching (頃)	=100 mu (畝)	=100,000 sq. meters

Quantity

1 tso (撮)	$=\frac{1}{1,000}$ sheng (升)	=0.001 cubic meter
1 shao (勺)	$=\frac{1}{100}$ sheng (升)	=0.01 cubic meter
1 ho (合)	$=\frac{1}{10}$ sheng (升)	=0.1 cubic meter
1 sheng (升)	=27 cubic chih (尺)	=1 cubic meter
1 tou (斗)	=10 sheng (升)	=10 cubic meters
1 tang (石)	=100 sheng (升)	=100 cubic meters

Weights

1 ssu (絲)	$=\frac{1}{1,000,000}$ chin (斤)	=0.0000005 kg.
1 hao (毫)	$=\frac{1}{100,000}$ chin (斤)	=0.000005 kg.
1 li (釐)	$=\frac{1}{10,000}$ chin (斤)	=0.00005 kg.
1 fen (分)	$=\frac{1}{1,000}$ chin (斤)	=0.0005 kg.
1 chien (錢)	$=\frac{1}{100}$ chin (斤)	=0.005 kg.
1 liang (兩)	$=\frac{1}{10}$ chin (斤)	=0.05 kg.
1 chin (斤)		=½ kg.
1 tan (擔)	=100 chin (斤)	=50 kgs.

Moneys

10 li (厘) =1 fen (分)
10 fen (分) =1 chiao (角)
10 chiao (角)=1 yuan (圓) (23.91 grs. of Pure Silver)
M. ¥ 1.00 (1 yuan) =1 G. ¥ 1.00 (Japan)

Coins

5 li (厘) (Copper)	Weight 2.5 grammes (Copper 95%, Tin 4%, Zinc 1%)
1 fen (分) (Copper)	Weight 3.5 grammes (Copper 95%, Tin 4%, Zinc 1%)
5 fen (分) (Nickel)	Weight 2 grammes (Nickel 25%, Copper 75%)
1 chiao (角) (Nickel)	Weight 3 grammes (Nickel 25%, Copper 75%)

Notes

5 chiao (角)
1 M. ¥ (圓)
5 M. ¥ (圓)
10 M. ¥ (圓)
100 M. ¥ (圓)

CHAPTER I

GEOGRAPHY & GEOLOGY

INTRODUCTION

The Empire of Manchoukuo, roughly speaking, is a country forming the northeastern littorals of the Asiatic continent, running from the Gulf of Pohai in the south to the more or less mountainous region in the north marked off by the long stream of the Amur. In the west, beyond the long sweeping range of the Greater Hsingans the country trails off into the sands of Mongolia, and in the east, is walled in by the Changpaishan range which runs along the Korean border, reaching far up behind the Maritime Province. It is a country somewhat larger than twice the area of Dutch Borneo and about equal to those of New South Wales and New Zealand, combined, inhabited by a population estimated at roughly 38 millions.

The Hsingan mountain range forms a natural boundary on the western side. Between this range and the Changpaishan range in the southeast, one running in parallel to the other, there lie extensive plains under tillage or forests. This level land is crossed by a number of streams navigable to great distances.

Manchoukuo, except in the limited parts which were early opened to outside intercourse, still remains unexplored or unsurveyed. Facts and figures are often found wanting at this stage. No little part of information available at present as to the geography of the new empire will undoubtedly have to be later corrected or revised in the light of progress which is being made in all phases of her national life. However, in so far as possible, the official and other authentic information and figures have been taken as a basis for the present chapter.

PHYSIOGRAPHIC DIVISION

Manchoukuo falls into the following phsiographic divisions:—

1. **The Great Central Plain of North & South Manchuria.**—An extensive level land forming the basin of Manchuria. It extends from the shore of the Gulf of Liaotung in the south to the regions bordering on the rivers Nonni and Sungari in the north. To these regions the Japanese have given the nomenclatures of North and South Manchuria, though such division has been a matter of more or less conjecture in some points. The line of demarcation, according to the Japanese geographers, is a mountain range which rises between Hsinking (Changchun), the Capital of the Empire, and Kungchuling in the south and runs westwards almost in a straight line somewhat beyond Taonan. This range, rising nowhere higher than 330 metres and scarcely perceptible to ordinary travellers on the railway, forms a climatic and faunal line of division. The rivers on its southern side flow southwards, contributing to the Liao river which eventually empties into the Gulf of Liaotung, while the streams on its northern side follow the opposite direction to flow into the Nonni and Sungari.

South Manchuria or the country lying south of the above line of division, quite open to the sea in the south, has heavier rainfall, rains being more abundant farther in the interior towards Hsinking. North Manchuria or the country on the northern side of the divisional line is much drier, except in small portions in the east and those close to the eastern side of the Hsingan mountains.

The plain of South Manchuria is traversed by the river Liao which has its origin in the mountains of Jehol. Where this river is joined by the streams of the west or Hsi Liao and Huangho on the west and by the east or Tung Liao on the other side there lie great fertile plains which, because of their agricultural possibilities and other favourable conditions, become the birthplace and centre of the earliest civilization of Manchuria, Liaoyang, the Capital of ancient Manchuria, being situated approximately at the centre. Yingkow at the mouth of the Liao had for many ages been the only and the most important commercial port of the country until its trade was diverted to Dairen. Tungliao or Chengchiatun, where, as its name indicates a Hun tribe obtained a concession about a century ago from the Mongol king, developed into the commercial centre of trade with eastern Mongolia and remained a brisk mart until the railway deprived it of its bean trade. The river Hunho which joins the Liao near Niuchuangcheng, because of its shipping facilities, gave birth to the industrial city of Mukden. Hsinking, an ancient city situated farther up the river, was chosen by the founder of the Manchu dynasty for the site of his government until it was transferred to Peking.

The extensive plain region formed by the main and tributary streams of the Sungari and the Nonni, coming down, through the virgin country of north Manchuria, is marked by the city of Harbin, for many years the centre of commercial activity in this part of the country, and the growing cities of Tsitsihar in the north and that of Fuyu in the south. These regions have always been known as the granary of Manchuria.

2. Forest Zone of the Northeast and East.—A U-shaped stretch of wooded country which begins with the Hsiao or Little Hsingan range in the north and runs in a southeasterly direction along the Amur, taking in the major portions of Kirin Province and the eastern parts of Fengtien, finally joining the Changpaishan mountains of the Korean border. This wooded mountainous zone forms the watershed of the Sungari in the northeast and those of the rivers Tumen and Yalu in the southeast. The region along the converging streams of the Nonni which spring on the southern side of the Hsiao Hsingan mountains are notably marked with by the presence of soil containing abundant sodium, a condition which has prevented agricultural activity in these parts. The sections in the east and southeast, accessible to many streams, have since old days been the source of timber supplies to not only south Manchuria and north China but to Inner Mongolia as well.

3. Dry Area of the Northwest.—A far sweeping line of level country lying on the west side of the Ta or Great Hsingan mountains, taking in part of Jehol. The entire region forms a pasture land. The city of Hailar is the centre of cattle raising which is about the sole industrial activity of the whole land. Except the growing intimacy of its relations with North China, Chahar and Outer Mongolia, the importance of this part of Manchoukuo will chiefly be confined to certain lines of agricultural work which still remain to be developed.

4. Forest Zone of the North.—The wooded mountainous region which extends on the west from the northern parts of the Great Hsingan system to the Little Hsingans on the east, embracing extensive areas along the river Amur. Though unexplored for the most part, the timber resources of this region alone are said to surpass those of the islands of Saghalien and Hokkaido combined. The construction of the railway running through the country to Heiho, facing the Russian city of Blagoveschensk, will go a long way toward opening the virgin forests which are also said to guard rich gold veins at not a few places.

Boundaries

Manchoukuo is composed (1) of what were formerly known as the Three Eastern Provinces, i.e., Liaoning also known as Fengtien, Kirin and Heilungkiang, (2) of the province of Jehol which with Chahar formerly formed eastern Inner Mongolia, and also (3) of what was created in the earlier days of Manchoukuo as the province of Hsingan out of part of Liaoning and Heilungkiang and which has since the end of 1934 been divided into four administrative sections.

Position

The territory of the Empire of Manchoukuo extends from the Kwantung Leased Territory, which rises at the southern extremity in 38° 43′, to the river Amur, reaching into 53° 30′ North Latitude. The farthest point of Manchoukuo's western boundary lies in 115° 20′ East Longitude while the eastern end runs to 135° 20′ East Longitude, marked by the confluence of the Amur and Ussuri rivers.

Area

The area of Manchoukuo which had long been a matter of more or less conjecture, was officially announced on March 25, 1935, for the first time in the history of the country, though the figures in more than one case are given out in the form of advance estimates. The area of the Empire according to the different administrative districts, including the railway zone under Japanese jurisdiction, are as follows:—

Table 1. Area

Province	Sq. Kms.
Kirin	89,910
Lungkiang	77,906
Heiho	109,813
Sankiang	84,853
Pinkiang	102,113
Chientao	29,395
Antung	36,603
Fengtien	75,549
Chinchow	29,462
Jehol	96,585
Mutankiang	33,176
Tunghua	31,620
Hsinking Special Municipality	191
Harbin Special Municipality	929
Peian	70,898
Tungan	55,868
West Hsingan	80,411
South Hsingan	79,022
East Hsingan	106,751
North Hsingan	160,396
Total	1,303,143

MOUNTAINS

The most prominent mountains are the Hsingan Mountains which are composed of the following three systems:—

Great Hsingan.—The Great Hsingan Mountains form a natural border of Inner Mongolia extending from the Wutaishan mountains bordering the northern side of the Yellow River to the western region of Heilungkiang, separated from the Yablonoi and Stanovoi mountains by the river Amur. These long mountainous ranges are for the most part gently rising ground, seldom rising higher than 2,000 meters, though 200 kilometers wide at some points.

Among the more prominent peaks are Yikilishan, Chichichangshan, and Shihchangshan, all of which, however, fall below the height of two thousand meters.

Ilihuli.—The Ilihuli Mountains begin where Mount Ilihuli forms a right angle with the northern extremities of the Great Hsingans, close to the northern border. Thence these mountains run down along the curving stream of the Amur losing themselves in the Little Hsingans. The as Erhkoloshan, a volcano about 600 meters high. In the southern part of this system is the dormant valcano Uyunholdongi, well known to geographers.

Little Hsingan.—The Little Hsingan Mountains begin in the neighbourhood of Uyunholdongi and run in an eastern direction. This mountain range, nowhere rising above 1,200 meters, presents the general appearance of wooded plateaus, rising out of the marshy low plains. These mountains form the watershed of the branching streams of the rivers Amur and Sungari in these parts of North Manchuria.

Changpaishan.—The Changpaishan Mountains are a far stretching system running in parallel to the Great Hsingans, from the Korean border to the coast of Ussuri Province. The southern section branches off into another system forming the backbone of the Liaotung Peninsula. The middle section forms the watershed of the Tumen and Mutankiang, running northwards, and the Sungari and Yalu running westwards and southwards respectively. Except the highest peak, Paitoushan, 2,744 meters high and lying in the middle part, the mountains are below two thousand meters in height, presenting rather features of extensive wooded plateaus. The northern portions branch off into the ranges known respectively by the names of Laoyehling, and Changkwangtsailing, which reach as far north as the mountain range of Kuantashan. Among the more familiar peaks of those forming the ridge of the Liaotung peninsula are Fenghuangshan and Motienling of more or less historic interest, and Tsienshan and Tahoshangshan often mentioned because of their scenic attraction.

The watershed of the Liaoho and Heilungkiang, forming a natural line of division between North and South Manchuria, is a line of gently sloping ground running from Mount Changpaishan in a northwesterly direction until it reaches the eastern slope of the Great Hsingans. The whole divide extends over a distance of more than 800 kilometers, though it seldom rises more than 250 meters in height.

Yinshan.—The Yinshan Mountains join the southwestern end of the Great Hsingans in the west and decline to the plains of the Liao river in the east. The peaks of this system are generally high and marked with sharp declivities and rocky features, forming defiles and glens at many places. The two ranges, branching off in a southeasterly direction, parallel to one another, are known respectively as the Tsilaotu and Sungshanling ranges.

Table 2. Principal Mountain Systems in Manchoukuo

Principal Range	Sub-Range	Tributary Mountains	Height (metres)	Main Peaks	Height of Peaks (metres)
Changpaishan	Changpaishan	—		Paitoushan	2,774
	〃	Feitehlishan	More than 2,000	Feitehlishan & Maotsushan	—
	〃	Iluhayafan (Laoling)	—	Laoling	1,000
	〃	Heishan	1,000-2,000	Laopaishan	—
	〃	Yingehling	2,000 maximum	—	—
	Hsiao (Little) Changpaishan	Moutanling	1,000-2,000	Chingling	1,013
	〃	Changkwang-tsailing	850 maximum	Changkwangtsailing	793
	〃	Laoling	—	Daoling	1,200
	Kuanta (Kentai)	—	250-270	Hounishihshan	—
	〃	Kongtaishan	—	—	—
	〃	Lungchaokou	—	—	—
	〃	Chakulanling	—	Kuantashan	—
	〃	Natanhatalaling	—	Shuangyashan & Fulishan	—

Principal Range	Sub-Range	Tributary Mountains	Height (metres)	Main Peaks	Height of Peaks (metres)
Changpaishan	〃	Aluhaweichuling	—	—	—
	Laosungling (Mukotehsiang)	Halupaling	800 maximum	Halupaling	800
	〃	Changlingtsu	—	—	—
	〃	Laoyehling	1,200 maximum	Laosungling	800
	〃	Meling	—	—	—
	〃	Takaoliling	—	—	—
	Changpaishan Western Branch (Kirin-Hata)	Chahaliang	700-1,000	—	—
	〃	Kuleling	〃	—	—
	〃	Mayenhotaling	〃	—	—
	Southern Watershed	Imenshaling	700-750	—	—
	〃	Taling	500-700	—	—
	〃	Aiho Western	700-maximum	—	—
	〃	Matienling	800-1,100	—	—
	〃	Tsienshan		—	—
Hsinganling	Greater Hsinganling (West Branch)	Yikilishan	1,210 mximum	Yikilishan	1,210
	〃	Shihchangshan	—	Shihchangshan	
	〃	Chichichangshan	1,360 maximum	Chichichangshan	1,360
	Great Hsinganling (East Branch)	Ilihuli	600 maximum	Erhkoloshan	600
				Uyunholdongi	—
				Achatehshan	—
				Hosenshan	—
	〃	Suchen		—	—
	〃	Chalahamutu		—	—
	Hsiao (Little) Hsinganling	—	1,221 maximum	Mahalashan	1,221
	〃	Fuszukuan	—	—	—
	〃	Chushan	—	—	—
	〃	Fulin	—	—	—
	〃	Laolung	—	—	—
	〃	Kulukuluto	—	—	—
	〃	Heishan	—	—	—
	〃	Talitai	—	—	—
Yingshan (Gachar)	—	Tsilaotu	720 maximum	Maochinpaling (Machintaba)	720
	〃	Sungshangling	1,600 maximum	Ifoloshan	1,600

Volcanoes.—In addition to those already mentioned the following are recorded; Shater, 123° 37′ E.L. and 49° 47′ N.L.; "Kankui" named by Mr. Niiobi of the South Manchuria Railway, 124° 35′ E.L. 49° 38′ N.L.; Koronan 125° 14′ E.L. 49° 14′ N.L. These volcanoes, though prominent for topographical reasons, are not high, assuming in most cases the form of a cinder cone.

Plains and Steppes.—The plains of Manchuria roughly speaking, extends over the great basin formed by the mountain ranges on the east and the west sides. The plain of North Manchuria, lying north of the divide running from east to west below Hsinking (Changchun) and drained by both Nonni and Sungari, are generally formed of alluvial deposits, with grass-covered, sandy ground at places. The soil is suitable for growth of beans and wheat.

The plain south of the above divide is drained by the river Liaoho and its tributaries. This part of the country is somewhat lower in comparison with the area on the other side of the divide and is of diluvial formation with occasional occurrences of alluvial deposits mixed at places with loess. The southern portion of these central plains is suitable for cultivation of beans and kaoliang.

These eastern slopes of the Great Hsingan mountains, in which the Liao, Heilungkiang, Nonni and Sungari have each their origins, form extensive steppes good for cattle breeding.

RIVERS

The rivers of Manchoukuo fall into two systems, the one representing those streams which flow in northerly or northeasterly directions to empty into the Japan Sea; and the other those which run in a southwesterly direction to flow into either the Sea of Pohai or the Sea of Pechili. Among the first group are to be noted Amur, Sungari, Nonni and Tumen. The second group includes Liaoho, Yalu and Talingho. What may be noted as characteristic of all the Manchoukuo rivers is that their waters are turbid, containing a considerable amount of mud or sand, and that their lower courses are marked with many turns and bends.

Heilungkiang (Amur).—The Heilungkiang or Black Dragon river in Chinese, better known abroad by the Russian name Amur, forms the northern boundary of Manchoukuo. This river, the upper reaches of which are known as the river Argun, has its origin on the western side of the northern extremities of the Great Hsingans. Later joined by the river Onon, the Amur runs in an easterly direction, forming gorges through the Hsingan mountains until it receives the waters of the Sungari and Ussuri rivers. At this point the Amur turns northwards and empties into the Sea of Tartary, north of Nikolaevsk. The total length of the Amur is roughly estimated at some 4,400 kilometers of which three-quarters drain Manchoukuo soil. The navigable distance is about 3,040 kilometers. The river begins to freeze up during the first three weeks of November, and the thawing sets in between the close of April and the early part of May, free navigation being possible for not more than 155 to 200 days in the year.

Sunghuakiang (Sungari).—The Sunghuakiang or more popularly known by the Russian name Sungari, forming the biggest tributary of the Amur, rises in the northeastern part of Mount Paitoushan and, passing by the city of Kirin in its northerly course, flows through the central plain until it is joined by the Nonni near Fuyu. Making a turn here in an easterly direction, it goes on to form the boundary between Heilungkiang and Kirin Provinces as far as Ilan or Sanhsing, where it receives the waters of the Mutankiang. Thence following a northerly course and passing by the city of Harbin, the Sungari joints the Amur at Tungkiang or Lahasusu. The total length is something more than 2,120 kilometers. The river drains for the most part what is known as the granary of North Manchuria.

The Sungari, from its natural features, may be divided into four sections; (1) from the upper reaches to the city of Kirin, 595 kilometers; (2) from Kirin to Nonni, 392 kilometers; (3) from the Nonni to Harbin, 245 kilometers; (4) from Harbin to the Amur, 695 kilometers. The first course, because of many shoals and rapids, is negligible from the point of view of shipping, being open to navigation only by flat bottomed river boats. The section between Kirin, which is the terminal point for ordinary shipping, and the Nonni is navigable by steamers of light draught. The course between the confluence with the Nonni and Harbin is 250 to 850 meters broad and 7 feet deep, though there are frequent shoals where the depth is not more than 3 to 4 feet. The river extends near Harbin to a width of one kilometer, though it falls off to less than 500 meters broad in the low water season. The course between Harbin and the Mutankiang, though abounding in shoals alternating with deep pools, are quite possible for navigation by steamships of more than 1,000 tons. The deeper parts range from 7 to 14 feet, some places being even as many as 30 feet deep. The last course between the confluence with the Mutankiang and that with the Amur offer better conditions of navigation, the depth ranging from 5 to 20 feet. The water-course in this part is from 200 to 300 meters broad. The Sungari is frozen for six months of winter, the section around Harbin freezing between the close of October and the middle of the next month. The thawing in this part begins on April 1st and lasts to the middle of the same month. The lower section around Lahasusu is seldom freed from ice before the end of April. The Sungari, generally speaking, is open to navigation for 200 to 210 days in the year.

Nenkiang (Nonni).—The Nonni originates in the Ilihulishan mountains and runs down southwards, draining the northwestern regions of North Manchuria. Receiving the waters of many tributaries on its course, it passes through the regions of Mohken (Nenkiang) and Tsitsihar until it is farther on joined by the river Taorho, in the west. Thence the stream goes on in a southeastern direction and flows into the Sungari. The total length of the river is given as some 800 kilometers. Though shipping has seen but little development upon the Nonni or its tributaries, the course between Tsitsihar and the Sungari, a distance of 450 kilometers, offers good conditions of navigation, there being about 30 meters of water along the central water course. The section between Tsitsihar and Mokhen, though 150 to 420 meters broad and quite deep, is being availed of by sailing boats as present. The Nonni is closed to shipping by ice from the first week of November to the early part of April of the following year.

Tumenkiang.—The Tumenkiang or the river Tumen springs from the eastern side of Paitoushan and flows northwards, swelling on its way with the tributary waters of Korea and Kirin. Northeast of Yenki, of Chientao, the river makes a sharp turn in a southeasterly direction and flows into the Sea of Japan, south of Possiet Bay. The Tumen whose total length is estimated at something like 2,000 kilometers, forms for the most part the boundary between the Korean peninsula and the southeastern region of Manchoukuo, and that between Korea and Soviet Russia towards its end. Despite its length, the Tumen is navigable only a distance of 95 kilometers from its mouth up to the confluence with the river Hunchun. The river is frozen from the middle of November to the end of March.

Yalu.—The Yalu rises on the southern side of Mount Paitoushan and follows a northwesterly course as far as Linchiang where it turns southwards, forming the boundary between Korea and Manchuria. Joined by the Hunho and later by the Aiho, both coming down the Manchurian plain, the main stream empties below Antung into the Yellow Sea forming extensive deltas at its mouth. The total length is given as upwards of 790 kilometers. Though navigable up to Antung, a distance of 28 kilometers, the watercourse is narrow and featured by many bends making navigation both difficult and dangerous.

Liaoho.—The Liaoho is composed of two streams, the Hsiliaoho whose upper reaches are known as Shiramuren rising on the eastern slopes of the Hsingan range in Jehol, and the Tungliaoho originating on the western side of Mount Saghalyan of the Changpaishan system. The western stream, absorbing a number of tributaries of more or less size, flows in a northeastern direction until it is joined by the eastern stream near Sanchiangkou, or below Chengchiatun, to swell into a watercourse of considerable magnitude. From that point the river follows a southern course receiving the confluent streams of Taitzuho and Hunho, finally emptying below Yingkow into the Bay of Liaotung. The total length of the Liaoho, taking the longer course of the western Liaoho, is about 2,540 kilometers. The river is navigable by small boats up to Chengchiatun, a distance of about 880 kilometers. The presence of silting sand at its mouth considerably deprives it of its value as a watercourse. The river is frozen for four months of winter.

Talingho.—The Talingho rises in the Sungling mountains east of Chienping, Jehol, and joined by a number of tributaries on its southeastern course, flows into the Bay of Liaotung eastwards of Chinchow. The total length is about 425 kilometers.

Luanho.—The Luanho originates on the western side of the Yinshan range in Jehol and flowing in a southeasterly direction close by the city of Jehol, passes into Chinese territory eventually to empty into the Sea of Pohai. The length of the river is some 400 kilometers.

Mutankiang.—The Mutankiang, also known as Ningtaho, second in size only to the Nonni among the tributaries of the Sungari, rises on the northern slope of the Changpaishan range and flows northwards until it joins the Sungari near Sanhsing beyond the North Manchuria Railway line. The river forms on its way Lake Chingpo, also known as Lake Pirton. The length of the river is some 475 kilometers. While the stream is suitable for flowing down rafts, it is not navigable because of its swift currents and rocky bottom. The river is frozen from the close of November to the middle part of April.

Hulanho.—The Hulanho is a slow moving stream running down the southern slopes of the Folun mountains and joins the Sungari just below the city of Harbin. The length of the stream is about 375 kilometers. With 3 to 8 feet of water under ordinary conditions, the river is navigable up to Hulan by steamboats of 3 to 3.5 feet draught. It is closed to traffic by ice from November to April.

Ussuri.—The Ussulikiang or Ussuri river has its sources, on the Manchurian side, in the northern parts of the Changpaishan range. Joining the Mulingho, it flows into the confluent waters coming down northward by the town of Iman. From that point onward the Ussuri forms the boundary between Manchoukuo and the Maritime Province of Soviet Union, until it eventually flows into the Amur near Habarovsk. The total length of the river is estimated at 1,312 kilometers, including the longest tributary of Hula. With its water seldom falling below four feet and usually rising to 15 feet in the high water season, the river is navigable by ships of four feet draught. On its tributaries Mulingho and Naoli there is heavy traffic of small steam-boats and junks. The Ussulikiang is closed by ice from the middle of November to the middle of April.

Table 3. Principal River Systems

River	Navigable Length (Kms.)	Sources	Tributaries	Emptying into
Heilungkiang (Amur) (4,400 kms.)	3,040	Onon, Ingoda, Silka, Kolulienho, & Ehlukonoho Rivers.	Zeya, Bureya, Sungari, Ussuri & Argun Rivers.	Japan Sea
Sunghuakiang (Sungari) (2,120 kms.)	1,330 (from Kirin)	Toutaokiang, Sayinnoin, Liangtaokiang, Nênkiang (Nonni) Rivers.	Lafaho, Changyenho, Huifaho, Itungho, Lalinho, Hulanho, Ashihho, Fuikutoho, Moyenho, Muanho, Wokengho Rivers.	R. Amur
Nenkiang (Nonni) (800 kms.)	—	Hsinganling, Ilihuri Mts.	Yaluho & Chuoluho Rivers.	R. Sungari
Taoerho	—	Eastern Skirts of Hsingan-ling Mts.	Kweliuho & Chiaoliuho Rivers.	R. Sungari
Ussuri (1,312 kms.)	—	Daubihe, Sandagou, Urahe & Iman Rivers.	Sungachaho, Mulingho & Naoliho Rivers.	R. Amur
Tasuifenho	—	Tumen Mountain, Northern Skirts of Mukotehhsiang Mts.	Huputoho & Fuyehkouho Rivers.	Japan Sea
Tumenkiang (2,000 kws.)	95	Southern Skirts of Changpaishan Range.	Kayaho, Choshinko, & Hunho Rivers.	Japan Sea
Yalu (790 kms.)	160	Western Skirts of Paitoushan, Kycsenko, Choshinko, Hunho & Aiho-Rivers.	Hunho, Tapushihho & Aiho Rivers.	Yellow Sea
Liaoho (1,900 kms.)	880	Silamulunho, Laohaho & Tung (East) Liaoho Rivers.	Silamulunho, Laohaho, Tungliaoho, Hunho, Shaosuhuangho, Liangtzuho, Chingho, Tsaiho, Hunho, Sutzuho, & Taitzuho Rivers.	Liaotung Bay
Luanho (400 kms)	—	Haintontokulushan, Mongolia.	Isunho, Jeho & Paoho Rivers.	Pohai Bay
Talingho (425 kms.)	100	Kienpin-hsien, Jehol.	—	Liaotung Bay
Hsiaolingho	—	Minganshan Mts. Skirts, Chaoyang-hsien, Chinchow, Juerhho & Haliutuho Rivers.	—	Liaotung Bay

LAKES

Two types of lakes occur in Manchuria; the one is an ordinary permanent lake of fresh or salt water; and the other, what is called a lake of playa type, which is dessicated in the dry season. Of the latter sort the most conspicuous instance is Tabusu-nor, a round shaped lake about 8 kilometers in diameter, lying 95 kilometers southeast of Taonan. When dry, the lake appears white with the heavy deposits of salt.

Among the permanent lakes the largest is Lake Hsingkai or Hanka the northern portion of which belongs to Manchoukuo and the southern portion to the Soviet Union. It measures about 90 kilometers from north to south and 50 kilometers from east to west.

Lake Tapaku or Lesser Hanka lies north of Hsingkai with which it is joined by a river. Its circumference is about 60 English miles.

Lake Kingpo or Pirton lies on the upper course of the Mutankiang, about 50 kilometers south of Ninguta, Kirin Province. It is about 40 kilometers from north to south and 8 kilometers from east to west. The northern part is called North Lake and the southern part South Lake.

Dalai-nor, also known as Lake Hulun, lies in the western part of Hsingan Province, south of Manchouli. It measures about 20 kilometers in length and 10 kilometers in width.

Lake Bail-nor (Buir-nor) is a salt water lake lying south of Dalai-nor and is half as large in its water area. These two lakes are joined by the Urson river.

Yuehliangpao is a lake about five English miles in circumference, lying north of Talai and connected with the Nonni river. The lake abounds in fish.

Table 4. Principal Lakes

Lake	Location	Dimensions (Kms.)	Circumference
Hingkai (Hanka)	At the border of Pinkiang Province and Soviet Territory.	S. to N. 90 E. to W. 50	252
Tapaho (Hsiaohingkai)	North to Hingkai Lake.	S. to N. 40	120
Pirton (Kingpo)	Southwest to Ningan, Pinkiang.	E. to W. 8	40
Dalainor (Hulun)	West to Hailar.	S. to N. 20 E. to W. 10	—
Buirnor (Salt)	South to Hulun.	S. to N. 25	—
Yuehliangpao	Jalaid Banner, Hsingan.	E. to W. 35	10
Tabusunor	West Uchumuchin Banner, Mongolia.	—	—
Talinor	Northwest to Keshikten Banner, Hsingan.	S. to N. 3 E. to W. 65 —	120
Talakannor	West Jarod Banner, Hsingan.	—	85

COASTLINE

The coastline of Manchoukuo, extending from the mouth of the Yalu river to Shanhaikwan, where the Great Wall comes down to the sea, is marked with few harbours or bays. The total coastline is no more than 700 kilometers, slightly more than one eleventh of the total outline of the country. The coast of the Yellow Sea runs almost in a straight line from northeast to southwest. Because of the existence along the whole line of shoals from 2 to 6 kilometers broad, the waters are shallow and offer little shipping facilities. The coastline of the Pohai Sea, however, is longer and more irregular in its contour, providing harbors of more or less value, amongst which may be mentioned Yingkow on the Liaoho and Hulutao on Lienshan Bay.

HARBOURS

The most important is Dairen, known in the late nineteenth century as Victoria Bay and later as Dalny under Russian administration on the eastern side of the Liaotung peninsula, 20 miles northeast of Port Arthur. Protected by land on three sides, the harbour is open on the east, with the island Erthtaohsu lying off the entrance. The harbour is provided with breakwaters, eight in number and extending in all over more than 4,000 meters, and the water within the breakwater covers an area of upwards of 3,100,000 square meters. The depth of the water within the harbour is 8 to 11 meters at the southern end of the Liaotung peninsula berthing at a time 37 steamships of 5,000 tons. While the harbour is not free from ice between December and February, the sea routes are kept open by means of ice-breakers.

Port Arthur.—Port Arthur is a land-locked harbour situated at the southern end of the Liaotung peninsula and the only port in Manchoukuo that is free from ice all winter. As its Chinese name Liushun—available travel route—indicates, it was known from ancient times as the landing place for those proceeding into the interior of Manchuria. Fortified first under the Manchu dynasty, and later leased by Russia and next by Japan, it remained as a naval base under the administration of the Japanese navy until in 1927 it was made a commercial port in the full sense of the term.

The eastern section of the harbour, having a depth of 8 to 9 meters, is taken as a naval base. The western portion, known as Western Harbour, is open to commercial shipping; but shoals are frequent in that part. The only anchorage available for steamers measures but 430 meters wide and 1,280 meters deep, though its water of 9 meters easily harbours steamships of 6,000 tons. The section used for junks is 2 to 4 meters deep.

Hulutao.—Hulutao is a piece of land projecting into the sea of Lienshan Bay, approachable by a railway, about 12 kilometers long, branching off at Lienshan station, 33 miles west of Chinchou. The water is deep and free from ice all the year round. The harbour construction scheme was originally conceived and undertaken by the Chinese authorities to provide a rival port of Dairen. After repeated abortive attemps to carry out the scheme, the Mukden authorities concluded in January, 1930 a construction contract with the Netherlands Harbour Construction Company for 6,400,000 gold dollars. The work was begun in July of the same year, but had to be stopped in September of the next on account of the Manchurian Incident. In 1936 the port had a capacity of handling 60,000 tons

Yingkow.—Yingkow Harbour, situated at the mouth of the river Liaoho, was established in 1861 when the British Consulate was transferred here from the old port town of Neuchang, some 60 Chinese miles farther up the river, one of the first five ports opened by the Tientsin treaty concluded in 1858 between China and Great Britain. The harbour had grown since then to be the busiest port of South Manchuria until Dairen, under Japanese lease began to take away its trade through its better facilities and equipment as a commercial port. Although the section used for mooring steamships is about 13,500 metres in length, the quay for berthing ocean going craft is no more than 4,486 metres long. The section outside the harbour is used exclusively by junks.

The depth of the river Liaoho is constantly changing on account of the sand washed down by the stream. At the entrance to the harbour there are extensive sand bars where the water is no more than 8 to 9 feet deep at low tide. The river within the harbour is on an average 750 metres wide, though it narrows to about 560 metres around the wharf of the South Manchuria Railway. The depth within the harbour is from 20 to 33 feet at low tide, the deepest portions being as much as 50 to 70 feet deep. The harbour is practically closed by ice from the middle of December to the latter part of March.

Antung.—Antung, which is among all Manchurian harbours the most important as a shipping port for timber, is situated 25 miles above Hsintao at the mouth of the Yalu River. The water around Antung is 1,000 to 1,500 metres wide and 3.7 metres deep at low tide. The steamships entering Antung are limited to tonnages below 7 to 8 hundred. The lower reaches where the water is about 10 feet at low tide are used as the anchorage for vessels of 1,200 or more tons. Between Antung and Hsintao and Santaolang steam launches and lighters are operated. The port of Antung is closed to traffic by ice during the four months of winter.

GEOLOGY OF MANCHOUKUO

Although considerable light has been thrown upon the geology of Manchuria and Mongolia during the last century, the available information is still, for the most part, either fragmentary or local. In so far as this field of science is concerned, the whole country of Manchoukuo remains a matter of more or less conjecture. Generally speaking, the land of central Manchuria and Mongolia is marked by the presence of rocky formations of high antiquity and by the frequent occurrences of very recent rocks, lacking in strata of intervening periods. The strata of the former description are, for the most part, marine while those of the latter are terrestrial. What is more, the strata are generally found in horizontal lines, showing that the land, except the limited areas affected by greater warping movements, has been under relatively little pressure.

Manchuria.—A general idea of the geology of Manchuria, so far as has been investigated, may be had from the table below:

Table 5. Geologic Formation of Manchuria

Chiefly based on the report by Professor Murakami

Geological Period	Principal Rocks	Principal Fossils
Cainozoic Era:		
Quarternary Period	Sands, gravels, clays loess, basalts.	Mammoth, bison, deer, reindeer elks, rhinoceros.
Tertiary Period	Shales, sandstones, tuffs, basalts, trachyte, andesite.	Ferns, sago-palms, Glyptostrobus, Comtoriphyllum, Populus, insects, spiders, torstoise, fresh-water fishes, etc.
Mesozoic Era:		
Cretaceous Period	Sandstones, shales.	Eggs of seaturtles, fresh water fishes, etc.
Jurassic Period	Sandstones, shales, marls, conglomerates, coals, granite-porphyry, quartz-porphyry, liparite.	Ferns, sago-palms, gingo-trees, conifers, bivalves, primordial mammals, etc.
Triassic Period	(Wanting).	

Geological Period	Principal Rocks	Principal Fossils
Palaeozoic Era:		
Permian Period	Limestone, sandstones, shales, coals.	Lepidodendron, Sphenopteris, cordaites, Fusulia japonica, crinoids, corals, etc.
Sub-carboniferous Period Silurian Period Devonian Period Ordovician Period	(Wanting).	
	Limestone, shales, clay-slates, marls, sandstones.	Cephalopods (orthoceras, etc.), gasteropods (maelurea, etc.), brachiopods (Obolus, etc.), trilobites (Ptychasyis), fucoids.
Cambrian Period	Limestone, marls, shales, clay-slates, sandstones, conglomerates, gabbro, Granites, porphyrites.	Brachiopods (obolus, obollela, etc.), pteropods, lamelli branchia, gasteropods (more than 70 species), trilobites, etc.
Protozoic Era	Crystalline schists, silica, clay-slates, Lydian stone, limestone, dolomite, ironstones, Granites, gabbro.	Fucoids.
Archaean Era	Gneisses, crystalline schists, silica, crystalline limestone, granites.	

Geological Characteristics.—The following may be enumerated as geological characteristics of Manchuria: (1) granite and other rocky strata of high antiquity are seen in well developed states: (2) conspicuous absence of Silurian, Devonian; Sub-carboniferous and Triassic rocks; (3) scarcity of volcanic action and earthquakes, showing relatively small areas of exposed recent volcanic rocks; (4) the long geological history of the land as shown by a wide distribution of granite areas and extensive exposure of rocky beds of high antiquity, a point also confirmed by the fact that the rock beds than of the middle of the Mesozoic era are invariably either terrigenous or lacustrine.

What stand out as notable characteristics from the tectonic point of view, are the Hsingan and the Changpaishan ranges, forming between them the extensive basin of south and central Manchuria. The former mountain range is formed by a long folding of rocks, the western side of which is covered by sand, presenting an appearance as of plateaus. The eastern side of the range is marked by precipitable declivities with an occasional presence of small faults. The latter range is the western ridge of the above central basin.

What is of considerable geological interest is the Sungling mountain range which forms the boundary between Jehol and Fengtien Provinces, close to the Pohai Sea. The northern section of the range follows a northeasterly course as far as Tiehling on the main line of the South Manchuria Railway, above Mukden, and then turns eastwards reaching as far as Paitoushan mountain close to the Korean border. The areas south of this range abounds in strata and beds of Cambrian, Ordovician and even earlier times, embracing extensive veins of fire proof clays, magnesite and haematite. The land north of the range is wanting in those ancient rocks or any of those valuable mineral deposits, the granite and gneiss beds being generally under the Mosozoic strata. Along the above mountain range are noted conspicuous overthrusts of Palaeozoic strata above more recent rocky formations. These overthrusts, not without association with the general warping of the Mongolian land, are attributed to the middle part of the Tertiary period. As a stratigraphic feature of more recent date may be noted the Sungling range passing almost east and west, south of Hsinking, forming the watershed of Heilungkiang and the Liaoho plains, which joins the above Sungling east of the South Manchuria Railway line. This elevated system in parts still continues its upheaval movements. The western sector, as shown by the evidence of recent volcanic action, must have ceased its movement only recently. The eastern extremities of this mountains range, close to the eastern coast of the Korean peninsula, still continue the perpendicular movements which commenced in the latter part of the Tertiary period.

Geology of Mongolia.—Of the geology of Mongolia, which remains for the most part to be investigated, a general idea may be had from the table below, largely based on the work of Berkey, Morris and Grabau:

Table 6. Geologic Formation of Mongolia

Geological Period		Principal Rocks	Thickness in meters	Principal Fossils
Cainozoic Era:				
Quarternary Period	Alluvium	Sands, Gravels, Clays, Lacustrine deposits, Loess.	1-30	
	Diluvium	Sands, Clays, Gravels, Loess, Volcanic products.	30-300	Elephas antiquus, horses, rhinoceros, etc.
Tertiary Period		Clay, Silt, Sands, Gravels, Shales, Basalts.	1200	Elephas antiquus, rhinoceros, boars, hipparion, serridentius, boluchitherum, Menodus, Protitanotherium, Teilhardia, Eudinoceras, Schlosseaia, Paleostylops.
Mesozoic Era:				
Cretaceous Period		Granular red sandstone, Clays, Sands, Shales, Granites, Phorphyries, etc.	300-600	Protoceratops, Ignanodontia, Prodeinodon, Protiguanodon, fresh-water shells, etc.
Jurassic Period		Conglomerates, Sandstones, Shales, Marls, Coals, Eruptive blocks, granites, Porphyries, etc.	150-3,000	Small fragmentary botanical fossils.
Palaeozoic Era:				
Permian Period		Conglomerates, Sandstones, Shales, Limestones, Marls, Granites, etc.	15-600	Productus, Orthotychia, Martinia, Lyttonia, Spirifer, Spiriferella, Streptorhynchus, Camarophoria, Hemiptychina, Enteleles, Marginifera, etc.
Dinantian Period		Conglomerates, Sandstones, Clay-slates, Limestones, Dolomites, Batholites of Granite, Intrusive Rocks, etc.	15-300	?
Protozoic Era:				
Older (Huanhai System)		Grits, Clay-slates, Igneous Rocks, Veins & Stocks.	3,000-6,000	?
Newer (Wutai System)		Crystalline-schists, Phyllites, Limestones, Dolomites, Quartzite, Greenstones, Intrusive Igneous Rocks, etc.	?	
Archaean Era: (Taishan System)		Crystalline Limestone, Crystalline-schists, Gneisses, Intrusive Igneous Rocks, etc.	?	

Of the geological features of Mongolian land the following points may be noted, in addition to those which are common also to Manchuria: (1) the comparatively low areas are under desert sand, seldom exposing rocky beds; but the mountains regions as a rule consists of rocks of antiquity; (2) the Jurassic rocks are notably differentiated from the Cretaceous and later formation in the points mentioned below:—

(A) There occurs a great unconformability between the Jurassic and the Cretaceous rocks. The stratified formations of the former period are marked with frequent and complex plications and faults under the pressures of the movements of upheaval. The mountains bear marks of severe destructive work of magma and scarcely less destructive effects of weathering. The rocks of Cretaceous and later times as a rule exhibit perfect conformability, though they have evidently lain under warping movements on gigantic scales at one time or another. (B) The former rocks which A. W. Grabau has termed as Mongolian geosyncline are marine formations of the palaeozoic era, and widely distributed and of considerable thickness. The latter are without exception fresh water or windborne formations, being narrowly distributed and gnerally in thin layers. (C) The former have gone through heavy metamorphic processes in consequence of the intrusion of igneous rocks, while the latter exhibit little evidence of such phenomena. (D) After the Cretaceous era there were generally up and down warping movements on large scales; nor were block movements absent. However, the stratigraphic layers lie as a rule horizontally. As a consequence of the same warping movements what had been sea was turned into land and still later converted into quasi-plains by secular weathering. Upon the depressions caused by subsidence were laid fragmentary deposits.

The deposits made under these conditions were invariably terrestrial. The attitude of the mountains existing about the country seems to have been determined sometimes around the Cretaceous or Tertiary period. The linear directions of these mountain ranges, therefore, run generally in conformity with those of the basins. On the same view it is explicable that the Hsingan mountains, among others, were upheaved by the subsidence of the Mongolian basins.

From the above it is to be concluded that the above line of distinction of geognostic and stratigraphic importance, drawn so clearly through the middle part of the Mesozoic era, is due to the heavy igneous eruptions of the period preceding it and the total subsidence of the same in the period following.

CLIMATE

Manchuria, Mongolia and the contiguous regions are important from the climatic point of view, chiefly because they are the areas of continental cyclones which frequently disturb monsoonal winds at certain seasons. Great diurnal as well as seasonal variation in the temperatures is another characteristic of the climate of Manchoukuo. The climate of North Manchuria is marked by continental features, while that of South Manchuria is considerably tempered under the influence of the sea.

Cyclones.—The cyclones that cross the eastern littoral regions of eastern Asia and appear on the China and Japan Seas generally originate in Mongolia and along the Yellow River. They as a rule follow a easterly course and, passing through or near Japan, proceed on the Pacific. While on the continent these cyclones are but lowly developed, their first effect is seen in the disturbed state of the monsoonal winds. This is specially notable in winter. The northerly or northwesterly winds, the prevailing winds of the season, suddenly drop when a cyclone rises in Mongolia or eastern Siberia, and this condition is followed by cloudy skies, or by more or less rain or snow where the cyclonic centre moves. Out upon the Japan Sea, the cyclone suddenly develops its strength, with the result that the prevailing north or northwestern wind gathers violent force for a certain length of time, accompanied by a sudden barometric fall. These continental cyclones in their passage over the Mongolia deserts take up sand at dry seasons to such degree that the sky is overcast as by heavy clouds. The wind-borne sand is sometimes carried even as far as the western shores of Japan.

Temperature. — Manchoukuo approximately lies in the same latitudes as southern Europe, but its temperature is continental, showing little oceanic influences. The highest temperature on record is 42°.6 centigrade at Chalantun (July 23rd, 1919), while the lowest record is 50°.1 at Mientuho (January 16th, 1922). The hottest month is July and the coldest January. Observations show that the mean temperatures falls as we move further inland in a northwesterly direction from Dairen to Manchouli.

Table 7. Climate Conditions of Manchoukuo

(1937)

	Temperature (C.)				
	Maximum Average	Minimum Average	Precipition per year (mm)	Rainy days	Clear days
Hsinking	23.5	−16.9	660.9	106	107
Harbin	23.2	−20.2	577.3	108	88
Tsitsihar	22.5	−20.2	464.0	95	110
Heiho	21.6	−23.5	515.1	115	87
Fuchin	21.4	−21.8	581.7	115	79
Mutankiang	21.9	−20.4	533.2	113	70
Yenki	24.2	−15.9	323.6	88	83
Yingkow	24.9	− 9.8	659.9	83	123
Mukden	24.8	−13.0	678.4	92	116
Jehol	25.5	− 9.6	506.1	84	118
Chalantun	21.7	−18.9	490.2	84	98
Hailar	21.0	−20.3	322.8	96	90

The isothermal of 0°, which comes from northern Saghalien to descend along the Maritime Province, runs between Pukotu and Chalantun and from that point on tends northwards as it further proceeds westwards, until it passes south of Lake Baikal eventually reaching as far as the north of the Baltic Sea. It may be seen from this that the greater portion of Manchuria and Mongolia is enclosed between the thermals of 10° and 0°. The regions of north Manchuria, because of their proximity to the coldest Siberian areas, register an average annual temperature of 4° or so below zero. The difference of temperature between the north and the south areas may be seen from the fact that the average temperature in January at Dairen is 5°.7, while that at Bolkovska, close to the Siberian border, is 31° below zero, there being differences of more than 25° degrees. The isothermal of 20° below zero runs westwards from Taipingling, east of Kirin, and passes between Hsinking (Changchun) and Harbin until it extends into the areas south of Lake Baikal. Under this condition the average temperature of Mongolia in January falls below 20° below zero. The northern areas are situated close to Siberia. where the mean temperature in winter falls below 30° below zero, being one of the coldest spots in the world. The average temperature of July ranges between 20° and 24°, showing relatively but small regional variations. The isothermal of 24° runs in the east from the mouth of the river Tumen of the Korean border, following a northwesterly directions to pass between Mukden and Hsinking and proceeds thence in a westerly direction, ultimately traversing the plains of Mongolia. It may therefore be seen that the average temperature in July throughout Manchoukuo is around 24°, though the eastern regions close to the Maritime Province and those up in the north close to the Siberian borders, registers temperatures below 20°.

Rainfall.—The year is distinctly divided into the wet and dry seasons, the former from the beginning of June to the end of September and the latter from the beginning of November to the end of April. Taking the rainfall at Hsinking as representative of the general precipitation of Manchoukuo, observations show that the rains during July and August make up 55% of the total annual fall, while the falls during four months ending September make up 77% of the total annual fall.

In point of distribution of precipitation, the areas along the main line of the South Manchuria Railway form a dividing line. The areas to the east of this line have a rainfall ranging from 600 to 1,000 millimeters, while the areas to the west have a fall from 600 to 100 millimeters. The precipitation grows less as we go further west. The rainfall at Manchouli is less than 300 millimeters. The areas along the above railway line record a fall ranging from 600 to 700 millimeters.

The heaviest rainfall recorded in twenty-four hours was at Yingkow August 13th, 1911, when 209.2 millimeters of rain fell. On the same day Mukden had a fall of 148.7 millimeters which remains a record volume of this city. To the west of the Hsingan mountains the fall diminishes to 80 millimeters. Although no observation has been made farther out in the Mongolian regions, the annual rainfall may be assumed to be about 250 to 350 millimeters, since those of Irkutsk and Urumtsi are known to be respectively 428 and 259 millimeters.

From the agricultural point of view, it may be observed that the rainfall during July and August seems to afford an adequate volume of rain for the growing season. As representative of the central grain belt of Manchoukuo, the rainfall of Mukden may be taken for example. Between the beginning of May and the end of October the fall is recorded at 602 millimeters. For comparison the same seasonal rainfall of some northern cities of Japan, where the same months are also the growing season, may be taken: the city of Sapporo registers 558 millimeters and Niigata, on the Japan Sea coast, 834 millimeters, while the city of Tokyo records 1070 millimeters. Mukden has more rain than Sapporo. The figures of Niigata and Tokyo are affected by the fact that this particular time embraces the season of typhoons which are accompanied by rain, as a rule.

Humidity.—The average humidity of Manchoukuo ranges from 60 to 68%, or 10 to 20% less than that of the mean humidity of Japan. The driest months are April and November. In the former month especially, the humidity not uncommonly falls to 10% at Hsinking.

Evaporation.—Evaporation in Manchoukuo is from 1,400 to 1,600 millimeters annually, approximately twice the mean figures recorded in Japan. The highest figure is for May when the monthly average from various towns is upward of 200 millimeters. The lowest figure is for January when the monthly average falls below 50 millimeters.

Amount of Cloud.—The lowest amount of cloud on record is the annual average of 3.5 per cent at Chengkiatun. The average annual amount from various towns of the country is below 5 per cent. More than 200 days of the year are clear. Except the three summer months, fair or clear days prevail in unbroken succession. In winter especially, the skies are without a speck of cloud, as a rule. The annual sunshine hours, though subject to variation according to latitudes, number from 2,500 to 2,900, or approximately 20 per cent more than the figure credited to Japan.

Velocity and Direction of the Winds—The velocity of the wind, as may be expected under the continental conditions of the atmosphere, is not great, as a rule, in comparison with places under the influence of the sea. However, during three months in spring ending in May, strong winds prevail every day. The number of the so-called storm days, when the velocity of the wind is greater than 10 metres per second, as recorded at the Dairen observatory on top of Wakakusa hill, is on an average 121 in the year, while the observations made at the old establishment placed under shelter, registered but 17 days of storm. The annual records made at Kungchuling and Hsinking are respectively 50 and 62 days. The greatest velocity of wind recorded in Manchuria is 46.3 metres per second at Kungchuling March 23rd, 1919. Stormy winds are rare up in North Manchuria.

At Dairen, Port Arthur and other southern places in the areas close to the sea, the northwesterly winds prevail in winter and southerly winds in summer. These southerly winds turn southwesterly as they proceed further inland. In the northern portion of South Manchuria where Kungchuling and Hsinking are situated, and in the eastern section of North Manchuria marked by towns like Imienpo and Mutankiang, southwesterly winds prevail throughout the year, with practically no change in their direction. In the western areas of North Manchuria northwesterly winds generally prevail at all seasons.

Table 8. Direction of the Wind

Name of District	Most Usual Direction of the Wind		Average Velocity (metres per Second)		Number of Stormy Days
	January	July	January	July	
Manchouli	Southwesterly	Easterly	2.3 metres	2.7 metres	7
Hailar	Westerly	Westerly	1.1	2.0	3
Mientuho	Westerly	Easterly	1.1	2.0	16
Pukotu	Northwesterly	Easterly & Southeasterly	3.7	2.2	19
Chalantun	Northwesterly	Northerly	3.2	2.3	0
Angangki	Northwesterly	Southwesterly	3.9	4.8	27
Anta	Westerly	Southerly	3.6	3.6	9
Harbin	Westerly	Southerly	5.3	5.2	13
Yaomen	Southwesterly & Westerly	Southwesterly	2.3	3.2	34
Imienpo	Southwesterly	Southwesterly	3.5	2.8	11
Mutankiang	Southwesterly	Southwesterly	2.3	2.4	15 or less
Taipingling	Northerly	Southeasterly	4.5	2.9	7
Yenki	Westerly	Northwesterly	3.1	1.4	16
Sanhsing	Southeasterly	Southwesterly	3.6	2.1	9
Hsinking	Southwesterly	Southeasterly	2.7	2.2	21
Mukden	Northerly	Southerly	2.1	1.9	6
Dairen	Northerly	Southerly	5.2	4.9	121
Vladivostok	Southwesterly	Southwesterly	8.4	7.2	93

Frost and Snow.—The earliest date of frost is September 3rd at Mientuho, North Manchuria, and the latest is November 13th at Port Arthur in the southern section. The frost comes in the early or middle part of September in the areas west of the Hsingan mountains, and in the opening part of October at Harbin, Anta and Sanhsing. The area embracing Imienpo, Hsinking, Kungchuling, Kaiyuan, Taonan, etc., sees the first frost in late September, while Yingkow and Mukden follow about a week or ten days later, as a rule.

The end of frost is in the south region towards the end of April and in the northern parts mostly between the close of April and the middle of May.

Snow begins to fall in the north about the end of September and in the south around the end of October, a difference of one full month. The greater portions of the country seldom see the first snow before the latter part of October. The snowy season in the north closes around May 10th and in the south about April 10th, a difference of one full month also. In other words, the northern regions have two more months of snow than the southern areas. Snow falls on an average on from 20 to 40 days in the year. The depth of snow generally falls short of 10 centimetres.

Observatories.—Meteorological observatories are established at the following places at present:—

Port Arthur, Dairen, Yingkow, Chengteh, Mukden, Hsinking, Hailar, Heiho, Ssupingkai, Chihfeng, Suifenho, Harbin, Manchouli, Koshan, Hsingan.

FLORA AND FAUNA

Flora

As general characteristic of the Manchoukuo flora, it may be noted that the central plains of alkaloid soil is covered with grass, with no occurrence of trees except a genus of elms (*Ulmus punila*). Wherever immigrants have recently settled are to be seen a cluster of willow and other trees. However, the northern section of the Great Hsingans, Little Hsingans and the mountains ranges in the eastern parts of Manchuria, embrace vast domains of virgin forests. The mountains range of the Liaotung peninsula and the Sungling range are bare save for small wooded areas seen at places.

Native Flora.—Upon the central plains occur *Quercus mongolica* in the north as well as in the south, besides the particular elm specie above referred to. Of the conifers the Mongolian red pine (*Pinus sylvestris var. mongolica*) is confined to the region west of the northeastern section of the Hsingan mountains, while the Korean pine (*Pinus Koraiensis*) spread over the Little Hsingan and other mountains in the eastern part of Manchuria. South of Tiehling the Manchurian black pine (*Pinus tubulaeformis var. mukdensis*) is of frequent occurrence, while in the Liaotung peninsula this is replaced by the Manchurian red pine (*Pinus tubulaeformis var. rubescens*).

In contrast to the western side of the Hsingans where grows the Mongol red pine as mentioned above, the eastern side, though totally wanting in the same specie, offers what is regarded as a purely Mongolian specie of vine, *Vitis amurensis,* besides *Phellodendron amurensis, Juglans manshurica, Schizandra chinensis*, etc.

The watershed along the Antung-Mukden railway seems to form a line of division between the floras of Korea and South Manchuria. To the east, but not to the west, of this line are found varieties of violets such as Viol *xanthopelala, hirtipes, Raddeana, albida, Savatieri, Persicaria Makinoi,* and others like *Iris Rossii, Epimedium, macranthum Pulsatilla daurica, Jeffersonia dubia,* etc.

In the southern parts of the Liaotung peninsula occur some flora of the temperate zone such as *Zizyphus vulgaris var. spinsus, Vitex incisa, Euonymus Kiautschovica, Gleditschia Koraiensis, Ailanthus glandulosa,* etc. The frostless period in this part is as long as 200 days in the year.

Exotic Flora.—Quite many varieties of species have intruded from other countries. Among them may be noted *Robinia pseudacacia, Amorpha fructicosa, Acer negundo, Popuslus pyramidalis, Laburnm vulgare.* Of these the first and third mentioned species predominate. The former is distributed as far north as Harbin, while for the latter the line of Hsinking (Changchun) seems the northern limit.

Interesting Manchurian Plants.—There are varieties of flowering and other plants not without special interest. Amongst these the following points may be noted.

The maiden-hair tree is found on islets near Dairen and Port Arthur, though the sago-palm of Japan occurs in no part of this country. The specie seems confined to the peninsula and islands in its proximity.

Varieties of iris are found practically all over the plains of Manchuria. Of these, *Iris lactea* var. *chinensis* is most frequently met with. Its characteristic, not unlike that of other species of the same genera, is seen in its leaves growing in a twisted form. Other common species are *Iris orientalis, ventricosa, ensata, laevigata, tigridia uniflora, Rosii, manshurica, minuata.*

Upon the sunny hillside *Selaginella Rossii* is seldom missed. *Hyosciamus niger* var. *chinensis* the seed of which is valued in China for its medicinal properties is of not rare occurrence on the plains north of Tangkangtzu and Lienshankwan. *Clycyrrhiza echinata* the root of which is valued as a simple, is of frequent occurrence upon the grassy plains of Inner Mongolia. Among the common herbs and flowering plants may also be noted *Convalaria majalis* in northern regions, six different species of the lilacs of which *Syringa* predominate, *Amblygonum pilosum,* the Chinese aster (*Callistephus chinensis*), *Delphinium gradiflorum,* a specie of the peony (*paeonia albiflora* var. *spontanea*).

The commonest among the lilies is *Lilium concolor* luxuriating on all hillsides. There are also found *Lilium tenuifolium, Cernuum, Callosum, amabile, danricum, Maximowiczii, tigrinum, distichum.* The chrysanthemum species are a Siberian specie (*Chrysanthemum sibiricum*) and the no less common *Chrysanthemum lavendulaefolium.*

What may also be noted as a predominating feature of the Manchurian flora is that many varieties of the bramble and wormwood are met with almost all over the country. It is also noteworthy that not a few species of seaside flora are found far inland, a fact to be accounted for by the soil being impregnated with salt. The following species may be found as far north as Chengchiatun, Taonan, Tsitsihar and Manchouli:

Tribus terrestris, Apocynum venetum, Atriplex patula, Statice chinensis, Triglochin palustre.

Amongst the seaside flora *Salicornia herbacea*, which in Japan is confined to a few seaside places in Hokkaido and Shikoku, is met with in all parts of the Manchurian seashores. Among the species similar to those of Europe are *Statice chinensis, Bulomus umbellatus, Lemnatrisulca.*

Sand Dune Flora.—Upon the sand dunes of Manchuria and Inner Mongolia the willow and elm frequently occur, showing that these sandy places are by no means without subterranean water. The species special to the sand dunes are *Imperata cylindrica, Tonrnefortia sibirica, Corispermum stauntoni, Agriophyllum arenarium.*

Forest Zone.—The great forests of the Hsingan mountains chiefly consist of *Larix dahurica, Betula latifolia,* and *dahurica.* The above specie of the pine is for the most part found on the northern side of the mountains. The mountainsides all along the western section of the North Manchuria Railway line are bare in consequence of uncontrolled disafforestation. These places are covered with carpets of flowering plants during the three summer months. In the eastern mountains we find some species of pines (*Abies holophylla, Larix dahurica* var. *Principis. Ruprechtii*). The other common species are *Acer ginnala, Vitis amurensis, Juuglans manshurica, Schizandra chinensis.*

The mountains in the Liaotung peninsula are without forest of any notable size. The Mongolian oak (*Quercus mongolica*) and the Manchurian black pine (*Pinus tubulaeformis* var. *mukdensis*) are not infrequently met with, though the hillsides are generally covered by grass.

FAUNA

While the fauna of North Manchuria has been fairly well studied by European, especially Russian naturalists from early times, that of central and southern Manchuria has been almost totally neglected. This is especially true with regard to Jehol where, except a scientific expedition sent out in 1933 under the auspices of the Japanese newspaper Asahi Shimbun, nothing like research has been made in its history. The following is based on the information so far available on the subject.

Mammals.—Of the mammals of Manchuria more than 100 species have been described. Among the common inhabitants of the eastern mountains are the sable, the Manchurian ermine, the Siberian weasel, the lynx, the Amur racoon-dog, squirrel, the Korean stripped squirrel, the flying squirrel, the Manchurian assapan, the Manchurian hare, the red deer, the Korean antelope. The grassy plains and deserts in the western regions are the habitants of the vole, the ground squirrel, varieties of mouse, the flying hare, the badger, the fox, the sheep, the argali.

What is remarkable about the Manchurian fauna is the abundance of large mammals such as the tiger, the leopard, the lynx, the wolf, the red wolf, the Korean black bear, the ground bear, etc.

Fur-bearing Animals.—In the abundance of fur-bearing animal life Manchoukuo is surpassed by few countries of the world. To catalogue the more common species: the sable, the ermine, the weasel, the fox, the racoon, the badger, the lynx, the mountain cat, the wolf, the otter, the hare, the squirrel, the vole, the antelope.

Avifauna.—Of the rich avifauna of Manchoukuo more than 400 species have been observed. One of the remarkable feature is the abundance of birds of prey throughout the country. In the eastern mountains are found mostly those species which nest up in the trees. Among these are the owl, many species of singing birds, the pigeon, the cuckoo, the woodpecker. Upon the hills and plateaus of the western regions, as may be expected from the physiological condition of the country, we find those birds which live in undergrowth, such as the quail, the bustard, the partridge.

The region around Chengchiatun, Taonan and Angangki are a rich resrvoir of partridges. The mountains along the eastern section of the North Manchuria Railway abound in pheasants and ptarmigans. Bustards are most common around Payintala. To the rivers Liaoho and Sungari huge numbers of water fowl such as ducks, wild geese and swans are attracted in autumn, to migrate in winter to southern latitudes. Of the avifauna there are but few species that are not common to Europe.

Reptiles and Amphibians.—Of these genera about a score of species of reptiles and as many species of amphibians have been observed. Mention must be made of snapping turtles which are abundant in the rivers Liaoho and Sungari, because any sort of turtle is taboo in China. The edible green frog, which the Chinese call "farm chicken" and the brown frog which they call "mountain clam," are both valued for their eggs.

Fishes.—There are more than a hundred varieties of fresh water fish found in Manchoukuo. Lake Dalainor and the river Sungari are specially rich in big fishes such as carp, crucian, sturgeon, catfish and those called by the Chinese as *Pangtouyu, Paiyu, Kantiaoyu.* Among the last named fish some measure six feet long. "*Paiyu*" —white fish—of the Sungari is regarded as one of the delicacies to adorn the festive table in China, especially at new Years' time.

Nothing has been done by way of investigating the sea fish of Manchuria. The species most commonly seen are those of shallow waters such as codfish, hair-tail, guchi, flatfish (*Paralichthys olivaceus*), halibut, Shark, sea-bream, *Pseudosciaena japonica.*

In molluscs the Manchurian shores are rich. Abundant prawns and sea-slugs are caught. Likewise for food are caught jelly-fish, cuttle-fish, octopus. Among the shellfish may be noted oyster, clam, *Corbicula leana*, sea-mussel, a specie of pullet (*Tapes philippinarum*), razorshell, *Solecurtus constricta*, whelk.

With regard to the insect fauna no research has yet been made, except in certain limited ways. The Chinese oak silk-worms are extensively bred in the Liaotung peninsula and on the lower courses of the Yalu. Some varieties of beetles and scarabs are found practically in all parts of Manchuria. The mountain streams in the northern and eastern regions abound in Daurian crayfish.

Distribution of Fauna.—The Manchoukuo fauna belong to the boreal zone. From the physiographical and climatic conditions, however, the country falls into three sub-regions: (1) Mongolian, (2) Siberian and (3) North China.

The Mongolian Sub-Region embraces the area west of Taonan, Chengchiatun and Paintala, where desert animal life is represented by such mammals as Manchurian mole. Mongolian vole, the shrew, the flying hare, the Mongolian badger and a specie of mountain cat, desert fox, the argali. The mountain quail, a specie of pheasant, bustard and lark are the more representative ones of the avifauna of the sub-region.

The Siberian Sub-Region covers the area of North Manchuria which is drained by the Sungari and Nonni rivers. The animal life of these areas are also common to Siberia. Principal mammals are mole, Ussuri vole, hedge-hog, lynx, leopard, racoon, sable, ermine, weasel, Amur badger, hare, squirrel, red deer, musk-deer, east Siberian reindeer, etc. The avifauna is represented by pheasant, ptarmigan, grey starling, snow-owl, and varieties of woodpeckers. Of the reptiles, the Saghalien viper and the Siberian lizard are noteworthy. The typical amphibians are the salamander and Manchurian toad. Among the finny tribe may be noted the salmon, sturgeon and the river lamprey.

The North China Sub-Region covers the area drained by the river Liaoho and the Liaotung peninsula, the part popularly known as South Manchuria. The fauna of this part is common to North China and Korea. Among the mammals are Korean mole, ground mouse, Korean porcupine, racoon, a specie of wild dog called *Nukute*, squirrel, etc. The representative birds are the Korean pheasant and Peking coal-tit. The typical fishes are the eel, *Zacco platypus*, a specie of sheat-fish, a specie of killie-fish (*Poecilia latipes*), Korean goldfish.

CHAPTER II

OUTLINE OF HISTORY

ANCIENT TIMES

Manchuria first emerges in history as the homeland of the nomadic Tungus, a race quite different from the Chinese in all essential and dominant characteristics. These original inhabitants of present Manchoukuo were known by the Chinese people as the Suchen, and in a later period as the Ilou or Wu-chi, etc. They mostly inhabited the upper reaches of the Hurka River and along the Sungari. It is recorded that in the year 352 A.D., when the Mujung declared independence and as late as the beginning of the Ming Dynasty, Manchuria and Korea were ruled by Non-Chinese tribes. But it was not until 1636, when Nuerhachi, the leader of the Nurchens, established the Taching Dynasty, that the name of Manchuria entered history.

About the year 244 B.C., Chao Hsing, ruler of the Yen Kingdom, began to build a barrier in what is known as modern Shansi against the barbaric tribes in the west and in the north. The work begun by Chao was continued by later emperors until it was completed during the Ming dynasty, forming what is known as the Great Wall and extending over a distance of 2,000 miles from Eastern Turkestan to northern Hopei, down to the sea at Shanhaikwan. This gigantic work was conceived and built as a barrier against the Mongol and Manchou tribes who had frequently raided Chinese territory.

It is a matter of historical truth that the Chinese in those remote days and for centuries after, looked on those tribes on the other side of the Wall as alien enemies and the vast territory there as alien lands. Changes in the situation were seen only in the Han, Tang and Ming Dynasties when the Chinese influence extended over a portion of what is present Manchuria and Mongolia. This expansion of Chinese was set back by Manchou and Mongol Tartars who under the leadership of such ruler as of Khitan and Nurchen, and like Genghis Khan broke through the Great Wall and ruled part or the whole of China.

Coming down as recently as the middle of the 17th century, Manchuria was regarded by the Manchou emperors as a sort of reserve or crown land, separate from China and closed for many years to Chinese immigration.

Aboriginal Tribes and Their Kingdoms

The Tungus.—Amongst a number of aboriginal tribes who made their abode in Manchuria at one period or another, the most important is undoubtedly the Tungus who are known to have been there as early as 2,000 years before the dawn of the Christian era. There were also tribes, known amongst the Chinese for many centuries by the names of Suchen, Tung-hu, Mais, Fuyu, Kaokuli, Khitan, Nurchen, etc. They were hunters and herdsmen, leading a life nomadic and of primitive order. It was therefore but natural that when they came in contact with Chinese refugees and immigrants of superior culture, they should have absorbed something of what had been brought from beyond the Great Wall. From these aboriginal tribes came a number of Kings which are known on record as Fuyu (37 B.C.-494 A.D.), Kaokuli (37 B.C.-668 A.D.), Pohai (717-927 A.D.), Khitan (916-1125 A.D.), Chin (1115-1234 A.D.), and Later Chin (1616-1644 A.D.).

These tribal Kingdoms, though some of them had reason to enter into tributary relations with China, were all independent in a full sense of the term. They made war and peace at their pleasure and sent envoys to foreign courts.

The people of Fuyu, an agricultural tribe of considerable means and power, inhabited the plains of Kirin and Taonan, a number of them having settled on the plains surrounding the present capital city of Manchoukuo, Changchun, now called Hsinking.

The Kaokuli who were of the same origin as the Fuyu were a warlike people and mostly lived in the valley of the Yalu River, dominating at a time the northern part of Korea and the greater part of South Manchuria, with the River Liao as its western boundary. It was with the object of checking the activity of this warlike people that the Han Dynasty of China maintained friendly relations with the Fuyu. With the Kingdom of Kaokuli, which later formed one of the three kingdoms into which Korea was divided, Japan engaged in warfare more than once. The Kaokuli conquered the Fuyu in 493, but when they were in turn threatened by Chinese invasion in 662, they made an alliance with Japan, though they were to be overcome by the Tang Emperor a couple of years later.

Upon the heels of these two states came the kingdom of Pohai which marked the appearance of a northern tribe called Khitan upon the plains of Manchuria. The new born kingdom practically covered the territories of the old Fuyu and the Kaokuli. It lasted about 300 years, until it was subdued by the Khitan Tartars. While it lasted, this kingdom maintained friendly relations with both China and Japan. History records that Pohai and Japan exchanged envoys and had trade relations.

While Pohai was evolving from a tribe to a state in Kirin and elsewhere, another group of nomads, the Khitans, steadily rose to power near the southern part of Jehol and west Fengtien. A small tribe in the beginning, the Khitans, under the able leadership of their chieftain Yalu Apochi, came in course of time to extend their territory both westward and eastward, until at the beginning of the 10th century they ruled over 8 administrative areas and 41 districts. Yehlu Apochi still went on making conquests and in 916 proclaimed himself emperor of an independent state, with the dynastic title of Liao. His son Yehlu Takuang further extended the power of the Khitans as far as the northern parts of Chihli and Shansi. Peking was for the first time raised to the status of a capital where the Khitan ruler now chose to reside. The great Empire now extended over Mongolia, Manchuria, northern China and through North Korea as far as the coast on the Japan Sea.

The Nurchens.—The tribe next to come to power was the Nurchens or Golden Tartars, who were originally one of the Moho tribes and were also known as the Black River Moho. They are known to have made their home in certain parts of Heilungkiang (Amur) Province, but it was not until the first half of the 10th century that they began to be known as Nurchens. They revolted against Liao in 1114 A.D., under the leadership of their chieftain Akuta. They were so successful in their military campaign that the Nurchens leader established in the following year an empire with the title of Chin (Gold). They carried everything before them until in 1122, Peking having been taken by assault, the Khitan Emperor sought safety in flight. The reign of the Northern Sung Dynasty was then overthrown. By 1129 the whole of China north of the Yangtze River was under the rule of the Chin Emperor, a regime that was to last until 1234 when the irresistible Mongols rose to supremacy.

While nothing could withstand the advance of the Mongol hordes, the Nurchens themselves were responsible in part for their own downfall. When they came in contact with the Chinese and their ways of life, the hardy warriors of the north were quickly softened by the ease and luxury of the Sung civilization, so much so that when the Mongol Tartars rose under the mighty Genghis Khan, the once conquering race of Chin proved itself utterly helpless against the invading forces. And as if to hasten their own fall that was already in sight, the Chinese, true to their traditional diplomatic axiom, deserted the people with whom they had sworn friendship much to their own advantage, and now leagued with the new rising Khan against the tottering regime of their brother kingdom. Only in this case the double-crossing diplomacy, so often successful, failed to work out so well; for the Chinese themselves were later to be trampled upon by the warriors from the Mongolian plains.

The Mongols.—The Mongols who conquered the major part of Asia and a portion of Europe originated in Northwestern Manchuria, near the Hsingan Mountains. They were hunters and herdsmen and remained in obscurity until the great Genghis Khan rose to organize them into an invincible military force. They swept Manchuria and crushed the Kingdom of Chin. The once mighty Dynasty of Sung had completely passed away when Kublai Khan established himself at Peking in 1264.

The Mongols gave the Chinese the first foreign dynasty in their history—the Yuan Dynasty. But the Chinese began to revolt against the Mongol rule in 1341, and twenty-seven years later, 1368, the Yuan Dynasty was overthrown, to be replaced by a Chinese Dynasty, the Ming.

Although defeated and subjugated by the Mongols and now falling back before the rising force of the Ming, the old tribesmen of the old Chin, the Nurchens, were never annihilated. One group of them, called Haisi Nurchen, was still in possession of the western portion of the valley of the River Sungari, from the present Petuna to Harbin; for, the Ming Dynasty, even in the heyday of its career, never extended much further than what is present Fengtien or Mukden Province. Another group of these tribesmen had established themselves in the section of the country from the east of the Changpei Range to the valley of the Hurka, all about the Sanhsing district. They were called Chienchou Nurchen. There was still another group settled over the banks of the Amur River—the Wild Nurchen.

It was from amongst these tribesmen of the north that a man, a young chieftain, was to appear who was destined to change the course of Chinese history and his descendants sat on the Dragon Throne in Peking for nearly three hundred years. Based in the castle at Hotuala and known by the name of "Dragon-Tiger General," Nuerhachi, the young leader, soon brought together the Nurchen tribes under his control. In 1616 Nuerhachi rose against the Ming, calling his domain the Kingdom of Later Chin. He took Mukden, Liaoyang and Kaiyuan, driving the Chinese into the valley of Liao. While achieving brilliant military success in many directions, the Nurchen leader was never successful enough in his lifetime to break through the Great Wall into northern China.

Upon his death in 1626 his fourth son Taitsung succeeded his and headed the house of Aisin-Chuehlo, the ruling house of what was later to be titled by him the Taching Dynasty, discarding the title of Later Chin. It was this young leader who gave the name of Manchuria to the land of the Nurchens for the first time in its history.

But it was not Taitsung, the founder of the Taching Dynasty, who dealt the last and final blow to the Ming regime of China. It was his younger brother, acting as Regent of the infant successor, that now led the Nurchens finally to complete the work of the late chieftain, his elder brother—the conquest of China. The Manchou leader entered Peking in May, 1644. The infant Manchou Emperor moved his capital from Mukden to Peking in September. The Manchou dynasty of Taching was proclaimed over all China in October of 1644.

Manchuria Under Manchou Rule

After the House of Aisin-Chuehlo had taken Peking and consolidated its position in China, many Manchous, especially officials known as "bannermen," migrated to China, while the homeland of the Manchou rulers was regarded as an extramural region apart from China. Manchuria was treated as "a crown land" and reserved exclusively for the Manchou race. Heilungkiang and part of Kirin were kept as royal parks where people were altogether forbidden to go. The Chinese people were carefully excluded from Manchuria, and this situation would have lasted but for the depopulation and impoverishment that Manchuria was later to see; an alarming state of affairs which eventually gave rise to Chinese immigration northward beyond the eternal Wall.

The Manchou ruler established a military administration over Manchuria, maintaining the old Manchou personnel and customs wherever possible. Mukden, Kirin and Heilungkiang had each a military governor vested with complete authority, both civil and military. These positions being open exclusively to officials of Manchou origin, Manchuria was always under rule of its natives, Manchou Tartar or "Banners," and this state of affairs continued down to 1907, when an Imperial edict was promulgated relating to provincial governors in the Three Eastern Provinces of Manchuria, by which these provinces, like those of China proper, were placed under the rule of civil administrators under a Viceroy or Governor-General.

For 268 years Manchuria remained under the rule of Taching, or the Manchou Dynasty. In 1912 China went through a great political upheaval, changing from a monarchy to a republic, and the last of the Manchou Emperors, Pu Yi, declared his abdication.

In point of international intercourse, the first instance of Manchuria having anything to do with an outside nation other than China was recorded in 1687, when disputes arose with Russia over some boundary questions. Next, when Great Britain and France waged war with China, their combined squadrons made use of Port Arthur as the base of operations. Two years later, Newchwang was opened to foreign trade. But it was not until the coming of the aggressive Russians some three decades later that Manchuria really assumed importance as a factor of international significance.

MODERN TIMES

Manchuria Under the Republic.—The first change to be made in the administrative system of Manchuria or the Three Eastern Provinces upon the establishment of the republican regime, was the appointment to each province of both a civil governor and a military governor. The latter under the orders of the President and the Minister of War at Peking concerned himself only with military affairs. But the powers of these military governors steadily increased as the central authority declined, so much so that when the question arose of joining the Allies against Germany in 1916, the military governors, amongst whom Chang Tso-lin of Mukden was prominent, asked President Li Yuan-hung to dissolve the Parliament which was opposed to the contemplated step, and amend the Constitution so that war could be declared without the consent of the Legislature. When the President turned down their request, Chang Tso-lin and other military governors declared their provinces as independent of the Central Government, a stand which eventually led to their secession.

When Soviet Russia concluded a separate treaty of peace with Germany at Brest-Litovsk, China had reason to fear a possible extension of Russian disturbance into her territory. Chang Tso-lin was appointed in September, 1918, Governor-General of the Three Eastern Provinces and named in 1921 Superintendent-General of the Mongolian Frontier. In the spring of the following year Chang Tso-lin had trouble with General Wu Pei-fu, a leader of the Chihli party. In the ensuing civil war the Mukden chief was defeated and forced to withdraw his troops from the province of Chihli. President Hsu Shih-chang immediately issued an order dismissing him from the posts he had held. But a number of associations in Manchuria joined in passing a resolution against the presidential order, stating that the lives of 30,000,000 people of Manchuria depended on the fate of General Chang.

Independence of Three Eastern Province

Chang Tso-lin was quick to rise to the occasion. In May, 1922, he made a declaration of independence of the Three Eastern Provinces, which was communicated to the foreign ministers at Peking and to the foreign consular body at Tientsin. This declaration of independence ran in effect as follows:

(1) The Three Eastern Provinces of Manchuria, and Mongolia, Inner and Outer, cannot be recognized as parts of the Republic of China.

(2) Chang Tso-lin who holds a peculiar positions in these regions shall hold himself responsible for safegurding life and property therein, maintaining at the same time cordial relations with foreign nations

(3) The Treaties hitherto concluded between the Mukden Dynasty and the Chinese Republic shall be respected.

(4) Any foreign minister or consul desiring to negotiate should apply to his office.

(5) Any treaty to be concluded by the Peking Government relating to Manchuria must have his direct approval.

Whatever Peking might have said to this, Chang Tso-lin now considered himself and acted as the de facto ruler of an independent Manchuria. A couple of years later, or in October of 1924, he concluded, without reference to Peking, a separate agreement with Soviet Russia relating to the Chinese Eastern Railway, in the name of the "Government of the Autonomous Three Eastern Provinces of the Republic of China"

March on Peking.—Chang Tso-lin now turned his eye towards Peking. The October of the same year saw him engaged in war with Marshal Wu Pei-fu of Chihli. In December of the following year he clashed with Marshal Feng Yu-hsiang, and four months later he was again fighting with Feng. This time he was so successful that he entered Peking in December. He had in the meantime assumed the leadership of the so-called anti-"Nationalist" armies in North China. There was now little doubt that Chang was aspiring to the office of president on which he had his eye some long time since. He held a series of councils with military leaders about him and, ostensibly at their request, he was installed on June 18, 1927 as Tayuan-shuai, i.e., Grand Marshal of the Military Government of the Republic of China, and declared the vast territory north of the Yangtze to be under his rule.

The Grand Marshal, however, was not left unchallenged. The "National armies" under the command of General Chiang Kai-shek, Marshal Feng Yu-hsiang and General Yen Hsi-shan were ere long pushing their campaigns against Peking. In the spring of 1928 the Grand Marshal found the situation so unsatisfactory that he decided in June to withdraw from Peking to old Mukden. It was on this trip back to the Manchurian capital that Chang Tso-lin was fatally injured by an explosion caused in the train he and his suite were travelling.

Upon the death of Chang Tso-lin the control of Manchuria passed to his son, Chang Hsueh-liang who, unlike his father, pursued a policy or reconciliation with the National Government at Nanking. When civil war broke out in 1930 between the Nanking Government and the coalitions armies of Yen Hsishan and Feng Yu hsiang, the young Marshal of Mukden observed neutrality, until a turn in the situation gave him a chance to make an armed mediation and a pretext to send his military forces beyond the Great Wall. The Manchurian forces took the first opportunity to take possession of the railway zones in both Chihli and Honan Provinces. These provinces were formally placed under Chang Hsueh-liang when he accepted office with the Central Government as Deputy Commander-in-Chief of the National Army.

Manchuria under its often agressive military ruler, Chang Tso-lin, for the most part remained free from political or other disturbance, though her military forces had more than once got within the Great Wall to engage in warfare of one kind or another. Under the strong ruling hand of Mukden it had preserved a peaceful order of things internally; and except at the time of Kuo Sung-ling's revolt in December, 1925, it had never been menaced externally. But Manchuria, under the rule of young Chang Hsueh-liang, was to involve itself in serious troubles of international character; first with Soviet Russia in 1929, and next with Japan in 1931.

Early Japanese Relations with Manchoukuo.— Although Japan's relation with Manchuria began early in the 8th century when she opened trade with the Kingdom of Pohai, a relation that was to continue more than two centuries, it was not till the time of the Sino-Japanese war of 1894 that Japan came to regard Manchuria as a political proposition of international importance.

In the course of the war with China which was caused by a controversy over Korean independence and lasted six months, the Japanese armies took possession of the southern parts of Fengtien (Mukden) Province from the Yalu River to the Liao River at Newchang as well as Port Arthur and Weihaiwei. The war ended by the Treaty of Shimonoseki of April 17, 1895.

FOUNDING OF MANCHOUKUO

As a result of the downfall of Chang Hsueh-liang in Manchuria, subsequent to the outbreak of the Sino-Japanese conflict in September, 1931, a movement for independence was started in many parts of the country. This movement resulted in the establishment of independent or selfgoverning organs of administration in important localities under such men as Yuan Chin-kai of Mukden, Tsang Shih-i of Mukden, Hsi Chia of Kirin, Chang Ching-hui of Harbin, Kan Chao-shan of Peishan-Taonan, Kan Chang-shan of Ssupingkai and others. They became leaders of this movement in their respective localities. In Inner Mongolia, the sentiment for independence also became very strong.

In the latter part of September, 1931, shortly after the outbreak of the Mukden incident, some Manchurian newspapers reported that the Commander of the Japanese army in Kwantung had dispatched a messenger to Chang Hsueh-liang at Peking, requesting him to return to Mukden and take charge of the affairs of the Three Eastern provinces. When this report was published, those connected with the movement for creation of a new sate in Manchuria and Mongolia, promptly expressed their objection to the return of Chang Hsueh-liang and made an appeal to the Japanese Commander. In this appeal, signed by a number of legal bodies and representatives of Liaoning (Fengtien) Province, they objected to Chang Hsueh-liang's return on the grounds that his administration had brought about a general state of disorder and corruption in Manchuria and Mongolia.

Transitional Measure

As a transitional measure what was known as the Local Order Maintenance Committee was organized. On November 7, the Committee issued the following announcement to apprise the public of its temporary assumption of administration in Liaoning Province:

"Since the outbreak of the recent incident, the administration of the province has been suspended, and the Committee has undertaken the maintenance of order. Apart from the question of inquiring into what has taken place or what is likely to occur in the future, this Committee takes over the administration of the province in an effort to protect its inhabitants. The Committee is endeavouring to sever relations with the former Chang Hsueh-liang government and the Nanking Government, to safeguard the people in their work, to define the duties and functions of the officials, and to enable the people to be at ease and observe laws. We hereby declare to the people that all central government offices as well as prefectural offices should strictly observe the orders of this Committee. Dated November 7. The Committee: Yuan Chin-kai, Yu Chung-han, Chang Chen-chi, Chin Liang, Kan Chao-hsi, Weng En-yu, Ting Chien-hsiu, Kao Yu-chun."

In Kirin also, a similar movement became active, and the Governor of the Province announced the principles of the new administrative policy which was to be based upon the wishes and interests of the people. The leaders of this movement conceived a plan of unifying Manchuria under a government independent of the Nanking Government or of the influence of Chang Hsueh-liang. On January 17, 1932, these leaders met at Mukden and made basic arrangements for the establishment of a new government.

The first practical step towards the realization of this scheme took shape at the "State Founding Conference" held at Mukden for three days, February 16 to 18. Those present at this conference were Tsang Shih-i, Ma Chan-shan Yu Chung-han, Hsi Chia, and Chao Hsin-po and it was called the conference of the "Five Big Leaders." At this conference, all important preparation for the formation of a new state in Manchuria were completed. On February 25, the Executive Committee, on the founding of a new government, made an epoch-making announcement, declaring that the new state to be formed in Manchuria would be called "Manchoukuo" and the new era would be called "Tatung." Also it was announced that Pu Yi, the former Emperor of China, would be installed as Chief Executive of the new state. The Executive Committee then announced the organic law governing the formation of the new Manchuria state.

Declaration of Establishment of the New State

The declaration of the establishment of the new government in Manchuria was formally made on March 1, and it marked the founding of a new nation in Manchuria and Mongolia. On March 1, all Manchuria feted the birth of the New State. The declaration of the establishment of Manchoukuo by the Government of Manchuria reads as follows:

"March 1st, 1932
(First Year Tatung)

"The Territory of Manchuria and Mongolia is a region remote and isolated on the Continent of Asia. In the records of the past, it is noted that its history is long; that the country often experienced unifications and disruptions within its border; that the soil of the land is fertile and that the people had exhibited honesty and simplicity in their manners and customs. After, however, opening the country to intercourse with outside countries the population increased in number and the products in volume, thus turning the country into a land of abundance and promise. On the contrary, since the establishment of the Republic following the Revolution of 1911, the military factions of the Eastern Provinces, taking advantage of civil wars in China proper, usurped administrative power and brought the Three Eastern Provinces under their control. Twenty years will have passed since the revolution, during which time warlords have sprung up in succession who, completely disregarding the welfare of the people, indulged themselves in greed, extravagance and dissipation. While they were bent upon the pursuit of self-interest and greed, the people, on the other hand, were subjected to extreme torture with the burden of overtaxation at the will of the war-lords. As a result the currency system was completely ruined, and the business conditions of the country became stagnant and finally ruined.

"At such a critical moment, however, the warlords, giving rein to their ambition, advanced their army south of the Great Wall, thus causing unnecessary strife and killing and wounding a large number of people. Although they met with reverses many a time, never did they come to a realization of their own folly. They lost the faith and respect of the foreign powers. They engaged in wars with neighbouring countries. With utter disregard of the spirit of friendliness and cordiality of foreign countries, they encouraged anti-foreign movements.

"Laxity in the police administration provoked disturbances in the country, permitting ravages by thieves and bandits. The acts of looting, arsón and massacre by these lawless elements drove the entire population to terror, exposing them to hunger in all corners of the country. To leave these thirty million people of Manchuria and Mongolia in their hands means their exposure to atrocity and lawlessness, finally leading to their extinction. It is the people's desire to extricate themselves from the extreme danger and horror. Happily, through the aid of the army of a neighbouring country, it was made possible to expel these corrupt elements from the area where they had built a stronghold for many years past. Thus the home of misrule and corruption is now put to a thorough cleansing. This, we believe, is a Heaven-sent opportunity to the people of Manchuria and Mongolia for their resurrection. We should rise to the occasion and strive for our regeneration and rebirth with courage and determination.

"In turning our eyes to China proper we note that rival warlords have been engaged in intermittent warfare ever since the revolution took place. In later years despotic rule was exercised over the country by one party alone. Under the guise of the Three Principles of the People, the people are put to death in the name of Min-shen; their leaders are bent upon only self-interest and moved by greed while they go in the name of Min-chuan, and in their eyes there is nothing but their own party, although they profess the principle of Min-tsu. In this manner, though they profess that the country is ruled with fairness and equality, the practice of the party leaders is in utter contradiction to what they profess, thus not only deceiving themselves but the people at the same time.

"Of late years, internal strife has become frequent, with rivals aiming to partition each other's territory. It is to be noted that even the existence of the ruling party itself is now in danger. In these circumstances, it is impossible to expect from them consideration of the national welfare. At this time the country is overrun by Communist bands whose baneful influence is fast penetrating into the flesh of the people and into the very heart of the national government. Facing these deplorable conditions we are compelled to look back to the days of the Ching and Min dynasties and also to the Yao and Shun, and deplore to see how far away we have gone from the golden age in our history. What is important, this feeling of ours is equally shared by friendly nations abroad.

"The result of twenty years' experiences has convincingly taught us that we must bravely face the realities and take the task upon ourselves to reform our national life and seek a revival of the old golden age. The fact must be borne in mind, however, that evil influences are still at work amongst us, and should we evade the issue at this time and fail to check the spread of Communism, it is but obvious that the destruction of the nation would be inevitable. At this critical moment unless the people of Manchuria and Mongolia awake in good season to a realization of the heaven-given call for their liberation from the most corrupt political state, their extinction will be also inevitable.

"After thorough deliberations for several months past and after a number of meetings held by the leaders of Fengtien, Kirin, Heilungkiang and Jehol Provinces, Harbin Special District, and also those under the various banners of Mongolia, the conclusion was made with unanimity that they should look for a practical application of good rule rather than for mere expressions in words in administration of state affairs. Be the form of government what it may, the primary duty of the state is to give assurance of peace and security to the people.

"Manchuria and Mongolia had been, in the past, a separate state detached from China proper. In the present situation we are pressed to strive for national independence. In accordance with the will of the thirty million people, we hereby declare on this day that we sever our relations with the Republic of China and establish the State of Manchoukuo and that we hereby make a public proclamation of the fundamental principles on which this new state has been established.

"It is believed that statecraft should be founded upon the principle of Tao, or the Way, and Tao should be of Tien, or of Heaven. The principle on which this new state is founded is to follow the way of "Tien" (Heaven); that the people will have peace and security. The government must conform to the will of the people and not personal views should be permitted to prevail in the affairs of the state.

"There shall be no discrimination, with respect either to race or creed, among those people who now reside within the territory of the new state, including the races of the Hans, Manchous, Mongols, Japanese and Koreans; nationals of other countries as well may upon application acquire as permanent residents equal treatment with others and their rights shall be guaranteed thereby.

"It shall be the internal policy of our new state to renounce such policies as were adopted in the dark days of the past, to revise laws and enforce local autonomy, to draft able men into the service of the government and elevate officers deserving of promotion, to encourage industry, unify the currency system, open the national resources, maintain the standard of living, adjust and regulate the administration of the police, eliminate banditry, and to further promote and popularize education, to respect Li-chiao, the teaching of Confucianism and to apply the principle of Wangtao Chui and practice its teachings. Thus it is designed to give enlightenment to the people who live within the state and maintain the honour of perpetuating the peace of Eastern Asia, thus setting a model example of good government to the world.

"The foreign policy of the new state shall be to seek and further promote cordial relations with foreign powers, win their faith and respect, strictly observing international conventions. The debt obligations accruing within the territory of Manchuria by treaty stipulations with various countries prior to the establishment of the new state shall be acknowledged according to the usage of international convention. Foreign investment by all nationalities uniformly shall be welcomed for the furtherance of trade and exploitation of natural resources, thus bringing the principles of the open door and equal opportunity and the like to a fuller realization.

"The foregoing articles hereby proclaimed are the fundamental principles whereon the new state has been established. The newly-formed government will assume all responsibilties from the day of the establishment of the new state, and the government hereby declare under oath made to the thirty million people, with sincerity and good faith, that these things shall all be fulfilled."

Simultaneously with the issuance of the above declaration, the Organic Law of the Central Government, the Law Guaranteeing the Rights of the People, and other regulations were promulgated. These laws and regulations were intended to be the basis of the provisional constitution pending the enactment of formal ones.

A new era dawned in Manchuria and on its thirty million people on March 9, 1932 when Pu Yi, the former boy-emperor of the Ching dynasty of China, was inaugurated as "Chieh Cheng" (Chief Executive) of the New State of Manchoukuo at Hsinking, the Capital, with proper ceremonies and public acclamation that marked the inauguration of the long-desired autonomy and the emancipation of the people from the tyranny of military rulers.

In the presence of all noted leaders of Manchuria, Provinces of Mongolia, the public and many foreign residents, the State Seal and the Seal of the Chief Executive were formally offered to Pu Yi. Upon the acceptance of the post of "Chieh Cheng" by Pu Yi, Cheng Hsiao-hsu read the public declaration of the Chief Executive which was as follows:—

Public Declaration of the Chief Executive

"Humanity should uphold morality. There are different races in the world, and if self-advancement is attempted by any race by oppressing another, morality will be lost. All mankind should respect humanity and justice. But there are international conflicts. To harm others and to profit oneself is against humanity and justice. In establishing this State, morality, humanity, and justice have been adopted as the basic principles. When racial differences and international conflicts are removed, we shall be able to establish an eternal reign of justice. All our people should therefore devote their efforts to the realization of this ideal."

The New Flag

Shortly after the ceremony of inaugurating the Chief Executive, that of hoisting the new national flag was held. The new flag of five colours, representing the five races or the Hans, Manchous, Japanese, Korean, and Mongols, was formally hoisted while Pu Yi, other dignitaries of the new government and the public assembled on the occasion saluted this national emblem of peace and unity.

On March 10, the following day, the Govenment of the new country was formally organized with the appointment of important officials. The new era was titled Tatung (great unity) and the territory governed by the new government of Manchoukuo consists of the former three provinces of Fengtien, Kirin, Heilungkiang, and the new province of Jehol. Hsinking, the most important city located in the centre of the territory, was selected as the new capital.

Foreign Minister's Note

Desiring to have the new state of Manchoukuo recognized by the Powers of the world Foreign Mininster Hsieh Chieh-shih of Manchoukuo sent a note to all Foreign Powers on March 12, requesting recognition. The same note read as follows:—

"Sir:

I have the honour to inform you that the Provinces of Fengtien, Kirin, Heilungkiang and Jehol, the Tungsheng Special District and Mongolian Mengs (Leagues) under several banners, have united themselves to establish an independent government severing their relations with the Republic of China, thus creating "Manchoukuo" (State of Manchuria) on March 1, 1932.

"It must be known to you that the old military authorities, headed by Chang Hsueh-liang, who ruled the North-Eastern Provinces, sought only their self-interest and failed to give adequate consideration to the welfare of the people; further, that the entire populace was subjected to extreme suffering through outrageous exactions which were results of a corrupt discipline in official circles; and that the relations with foreign nations were greatly impaired through the enforcement of anti-foreign policies. Furthermore, in China proper there is to be found no unified and stable government due to constant factional strifes of a murderous nature among various military leaders of their own race, which make it impossible for the people at large to enjoy a single day of peace.

"Thereupon, the people of Manchuria, at the opportune time of the downfall of the old military power, have established a new State with a unity of effort and a single purpose.

"The Government of Manchuria proposes to perfect the institutions of law, to establish security for the life of the people and to exert all possible power for the promotion of their happiness and peace.

As regards relations with foreign nations, it has been definitely decided that diplomatic intercourse should conform to the several principles herewith stated, that is to say;

"1. That the Government will conduct the affairs of the State according to the primary principle of good faith and confidence and according to the spirit of harmony and friendship, and pledges itself to maintain and promote international peace.

"2. That the Government will respect international justice in accordance with international laws and conventions.

"3. That the Government will take over those obligations incurred by the Republic of China by virtue of treaty stipulation with countries, in the true light of the law of nations, and discharge these obligations with good faith.

"4. That the Government will not infringe upon the acquired rights of the people of foreign countries within the limits of the State of Manchuria, and further that their persons and properties shall be given full protection.

"5. That the Government welcomes the entry of the people of foreign nations into, and their residence in, Manchuria and that all races shall be accorded equal and equitable treatment.

"6. That trade and commerce with foreign countries shall be facilitated, thus contributing to the development of world economy.

"7. That with regard to the economic activities of the people of foreign nations within the State of Manchoukuo, the principle of the Open Door shall be observed.

"It is the earnest desire of this Government that your Government will fully understand the object of the establishment of the State of Manchuria of which you are herewith appraised and that formal diplomatic relations will be established between your Government and the State of Manchuria.

"With assurances of highest esteem and distinguished consideration.

Respectfully,
(Signature) HSIEH CHIEH-SHIH,
Minister for Foreign Affairs.

March Twelfth, First Year of Tatung."

Recognition By Japan

The State of Manchoukuo was given the first formal recognition by Japan on September 15, 1932, when a protocol was signed between Manchoukuo and Japan.

The protocol signed between Japan and Manchoukuo on September 15, 1932, is as follows—

JAPAN-MANCHOUKUO PROTOCOL

"Whereas Japan has recognized the fact that Manchoukuo, in accordance with the free will of its inhabitants, has organized and established itself as an independent State; and

"Whereas Manchoukuo has declared its intention of abiding by all international engagements entered into by China in so far as they are applicable to Manchoukuo;

"Now the Governments of Japan and Manchoukuo have, for the purpose of establishing a perpetual relationship of good neighbourhood between Japan and Manchoukuo, each respecting the territorial rights of the other, and also in order to secure the peace of Far East, agreed as follows:—

"1. Manchoukuo shall confirm and respect, in so far as no agreement to the contrary shall be made between Japan and Manchoukuo in the future, all rights and interests possessed by Japan or her subjects within the territory of Manchoukuo by virtue of Sino-Japanese treaties, agreements or other arrangements or of Sino-Japanese contracts, private as well as public;

"2. Japan and Manchoukuo, recognizing that any threat to the territory or to the peace and order of either of the High Contracting Parties constitutes at the same time a threat to the safety and existence of the other, agree to cooperate in the maintenance of their national security; it being understood that such Japanese forces as may be necessary for this purpose shall be stationed in Manchoukuo.

"The present Protocool shall come into effect from the date of its signature.

"The present Protocol has been drawn up in Japanese and Chinese, two identical copies being made in each language. Should any difference arise in regard to interpretation between the Japanese and the Chinese texts, Japanese shall prevail.

"In witness whereof the undersigned, duly authorized by their respective Governments, have signed the present Protocol and have affixed their seals thereto.

"Done at Hsinking, this fifteenth day of the Ninth month of the Seventh year of Showa, corresponding to the fifteenth day of the Ninth month of the First year of Tatung.

(L.S.) NOBUYOSHI MUTO
Ambassador Extraordinary and
Plenipotentiary of His Majesty
the Emperor of Japan.
(L.S.) CHENG HSIAO-HSU
Prime Minister of Manchoukuo."

BIRTH OF IMPERIAL REGIME

In accordance with the basic principle which guided its birth and after two years of preparations, the State of Manchoukuo adopted an Imperial rule on the auspicious day of March 1, 1934, making the second anniversary of its founding, and its Chief Executive Pu Yi was enthroned as first Emperor of the new Empire.

Simultaneously with the adoption of the Imperial rule, various governmental systems were revised. The name of the country remained the same as before as Manchoukuo but that of the era was changed from Tatung to Kangte. On and after March 1 the Empire of Manchoukuo is ruled over by an Emperor. With the honour and prestige of the Emperor unimpaired, His Majesty presides over the administration of the country as Ruler, gives sanction to various laws to be enacted, orders their promulgation, oversees the judicial authorities in their administrations of justice and controls the army, navy and air force of the rising State.

(For Chronicle of Important Events see 1939 issue pp. 621—625).

CHAPTER III

RACES AND TRIBES

The Prehistoric Peoples of Manchuria and Mongolia.—Varieties of neolithic remains are distributed throughout China, Manchuria, Mongolia and Siberia. Some of them, such as ancient Chinese copper vessels, earthen tripods and polished stone tools, are common to China, Manchuria and Mongolia, a fact suggestive of the relations which existed between the peoples of these countries in prehistoric ages. In contrast to this, however, must be noted an outstanding fact that the palaeolithic remains unearthed further north in Manchuria and Mongolia are exclusively crude tools of chipped flint. The line of distinction is so clearly drawn there that one may doubt if these northern inhabitants had any close ethnic affinities with those in the south. Theories have been advanced as to the prehistoric inhabitants of these countries, but none of accepted authority as yet. Much remains to be done in these lines. In the meantime we shall have to confine our attention to those peoples whose history has been preserved in one form or another, and also to those whose racial and tribal life continues to this day.

PEOPLES OF MANCHOU

Suchens.—The Suchens, also known as the Chishens and Hsichens, are the oldest people known in history. They are recorded to have presented thorn arrows and stone bows to Wu Wang, the founder of the Chou dynasty, who ruled China in the twelfth century B.C. Through misinterpretation of ancient chronicles, these people have been identified with the I-lous of Tungusic origin who rose to prominence as inhabitants of the Ninguta region in the Han period (206 B.C.—25 A.D.). They are described as inhabitants of the "north country" in the histories written in the times of the Ch'in and Han dynasties. It is a matter of historical truth, however, that at this period "the north country" did not extend so far north as to embrace what is at present known as Manchuria. The Suchens must have inhabited Jehol or southern Mongolia.

Ancient Ch'aohsien (Korean) Tribe.—Legend makes Chitzu or the Viscount Chi, a former vassal of the Chou dynasty, the father of the Korean people. While he was a Han or Chinese, as his followers were, the people he ruled represented one of the earliest tribal indigenes of Manchuria. This tribal people has never been really identified; but in San Kuo Chih (History of the Three Kingdoms), compiled in the Chin period, reference is made to this under the head of the Wei tribes. They are said to have lived in the region of Liaoyang.

Shanjungs.—They are a tribe of unidentified origin who lived to the west of Shanhaikwan. They are recorded to have been frequent invaders of China in the time of Huan Wang, the 14th emperor of the illustrious Chou dynasty. Against this tribe the lord of Yen had to appeal to the Chou emperor for his military aid. From this it may be assumed that the Shanjungs were quite equals of the Cathayans in point of military equipment, having developed iron arms and a military art of quite their own.

Tunghus.—This tribe next appears in history towards the close of the Chou dynasty (1122—255 B.C.). Tunghu—Eastern Hu tribe—was so named because they lived to the east of the state of Chao whose historians refer to them as lightly armoured and well mounted barbarians. They made repeated attempts to invade the states of Yen and Chou. While their kingdom has never been exactly identified or traced back, their western border was in constant contact with the 'Huns' of western Chahar. Their eastern limit extended about as far as Liaoyang, occupying extensive areas, running from east to west, outside the Great Wall. This tribal kingdom was overthrown by the Huns about the time Han was at war with Chou. The defeated tribe broke up in two groups, the one later known as Wuhuans and the other as Sienpis.

Wuhuans and Sienpis.—Of the Wuhuan tribe nothing has been heard of for more than a hundred years, until in 73 B.C., in the reign of Emperor Chao Ti, of Former Han, "the Wuhuans of Liaotung" are recorded to have revolted. The rebel tribe was successfully overcome by a Cathayan force of 2,000 horses. It is presumable that the Wuhuans had grown into a military factor of not inconsiderable strength.

The Sienpis has remained in obscurity for about two hundred and fifty years. In the time of Kuang Wu Ti, the first emperor of the Later Han dynasty (25—55 A.D.), they are said to have invaded Liaotung. Later, under the leadership of Tanshihhuai the Sienpis rose to power. Their royal court was set up near Changchiakou. Having conquered all the eastern territory of the Huns in the 11th century, the Sienpi kingdom, according to a Chinese historian, had extended over a distance of more than 12,000 li from east to west and more than 7,000 li from north to south, "embracing therein mountains and rivers, and marshes and briny lands." In 178 A.D. they are said to have defeated great Han armies. The Sienpis maintained their power until their Northern dynasty was overthrown by a Sui emperor. A part of the Sienpis emerged as Mujungs in the time of the Chin, while another became the Khitans in the period following the Sui and Tang dynasties.

Fuyus.—In the first description given of the Fuyus in the above quoted "San Kuo Chih," they are represented as a tribe living south of the Sungari, having as their neighbours the Kaokulis in the south, the I-lous in the east and the Sienpis in the west. Physically, large framed, and by nature cautious and non-aggressive, they are represented as an agrarian tribe of quite peaceful disposition. In contrast, it may be noted that the Kaokulis, though apparently of the same racial stock, are described as "impulsive by nature and of aggressive bent of mind." What is noteworthy is that the Fuyus wore garments of white cloth as the Koreans do at present, and their strongholds were built in a circular form, as mountain castles of Korea are known to have been in old times.

Mais and Kaokulis.—What is called the Mai tribe in Chinese history was another of those closely allied with the original stock of the Korean race. They are said to have inhabited "Toumolou," which is now by common consent considered to be around the confluence of the Amur and Sungari. The Kaokuli tribe is generally regarded as of Fuyu origin. They first made their home in the valley of the Tungchia river, a tributary of the Yalu. Later, they extended their influence further northwards. Under the leadership of Chumêng or Tsoumou, the Kaokulis had extended their rule in the first quarter of the 4th century as far south as the Daidoko or Taidong-gang river in northern Korea. They rose at a time to such power as few ancient tribes of Manchou ever did. Their civilisation, too, was by far above that of the others. Their kingdom came to an end in the Tang period (615—907 A.D.).

I-lous.—This tribe sprang into prominence during the Han period. They lived over the area extending from Ninguta to Vladivostock. Physically, not unlike the Fuyus, their language was different to that of the Fuyus or the Kaokulis, according to San Kuo Chih. They were cave-dwellers. They lived on corn and clothed themselves in hemp and animal hides. They were one of the stone-age tribes, judging from the fact that they used poisoned stone arrow-heads; but they were not strangers to the plough, since it is also stated that they lived on "five sorts of corn and were possessed of hemp cloth."

Wei.—The Han period finds a tribe known as Wei living in Manchou, side by side with the Fuyus. They were later overcome by the latter tribe, with the result that they separated themselves in three groups one of which migrated to Korea, while the others lost themselves amongst the other tribal inhabitants they later came in contact with.

Wuchis.—Of this tribe of uncertain origin the Wei Shu, the history of the Wei dynasty or the House of Toba, says in part as follows: "The Wuchis live north of Kaokuli, where once the Suchens had lived. Each village is ruled by its own master. There is no unity among them. Bold and brave, they are the strongest of all the eastern barbarians. Their language is different from the others.... They live in fortified caves, shaped like a mound and opening above. Ladders are used for ascending and descending. Their land is without cattle, and the cart horses are used for ploughing. They have millet and wheat."

These people made an alcoholic drink by chewing rice. They generally decorated their heads with the tails of tigers and leopards.

Among the Japanese antiquaries it is generally held that this tribe lived around Shihtouchengtzu between Hsinking (Changchun) and Harbin.

Shihweis.—This tribe rose to power contemporaneously with the Wuchis, of whom they were close northern neighbours. They were nomads at some season, while at other times they were engaged in agriculture and cattle breeding. They spoke a language not unlike that of the Khitans. Composed of five tribal groups, they rose to considerable power in the period of Sui and Tang. Legend has it that the later Mongols of historic fame sprang from this tribe.

Mujungs.—A tribe probably of Sienpi origin. The early part of the Chin dynasty, or the fourth century A.D. found this growing tribe on the lower course of the Shiramuren which is the upper portion of the Liao river. Under the direction of successive able leaders, this tribe gradually rose to power. Mujungtsun, one of their chieftains, having captured Peking, declared himself Emperor of Yen and called his territory Ch'ien Yen. His capital was removed from Lungcheng to what is at present known as Chengteh. His territory extended chiefly over a northern part of China and a western part of Manchou, including the Liaotung peninsula. The dynasty of the Mujungs is generally called Ch'ien or former Yen in contrast to the dynasties of Later Yen, Western Yen, North and South Yen that followed in that order.

Mohos.—The Moho tribe is of historical import because of the kingdom of Pohai they founded and also because they figured as a chief civilising influence of the Far East in the Tang period. History first records the Mohos as composed of seven tribal groups of which the two groups of Sumo-moho and Heishui-Moho are most important. The former inhabited the region of Kirin along the Sungari, while the latter were on the lower course of the Amur. Ta Tsujung, the founder of Pohai, is generally thought of Kaokuli origin, but it seems equally true that his followers were mostly Sumo-mohos who had early come in contact with the civilisation of Tang through their sojourn in Yingchu and Yuchow. Pohai, until it was overthrown by the Khitans in 926 A.D. after two centuries' existence, materially assisted in introducing the civilisation of Tang into Manchuria and Japan, with the latter having diplomatic and other relations for many years. When the Pohai kingdom came to an end, more than 100,000 Mohos found shelter in the Korean peninsula where they must have influenced in no mean measure the civilisation of the peninsular inhabitants.

Khitans.—This tribe, undoubtedly closely related with the Mohos, are first found along the upper course of the Shiramuren. After unsuccessful struggle with the Turks in the west, the Khitans became tributary to the Sui dynasty. They were later divided into eight groups which in the tenth century A.D. were again united by an able chieftain named Yeh-lu A-pao-chi who later became Emperor T'ai-tsu of the Liao Kingdom. In developing his country, this emperor made free use of the cultural and industrial attainments of Cathay. Iron and salt deposits were exploited; and agriculture was encouraged under Chinese direction. Liao steadily grew until at the period of Sung (960—1127 A.D.) its territory embraced practically all of North China, bordering on Manchuria and Mongolia. When the Liao kingdom was overthrown by Kin in the first quarter of the twelfth century, it meant that the last of those of direct Sienpi origin had passed out of the history of the Far East.

Nurchens.—The Nurchens, who have been called Manchus since their Ching dynasty was establish over China in the 17th century, are the only tribal entity remaining from antiquity. They were erroneously confused with the Suchens by some Chinese historians. They originally lived on the upper reaches of the Sungari, not far from the headwaters of the Yalu and mount Chingpaishan. They were known to Cathay of the Tang period. In 1115 a Nurchen chieftain named A-ku-ta declared himself the Emperor of the kingdom of Chin (Gold). In consequence of successful military adventures, he eventually annexed the Khitan kingdom in 1125. In the following year the Chin army occupied Pienching, the present Kaifeng in Honan province, the capital at the time of Sung. When the Chin kingdom was overthrown by the Mongols in 1234, the surviving Nurchens left China, returning to their original homeland in the north.

The Nurchens now made their abode around the region of Sansing or Han, on the right side of the Sungari. The Chienchou-Nurchens who are of the most historical importance among the three groups into which they had now divided themselves, later moved to the region of Kirin. These Nurchens were again divided into three section of Chienchou Guard, Chienchou Left Guard and Chienchou Right Guard. From the first named came Nurhachi, the founder of the Ching or Manchu dynasty. In 1616 he declared himself the emperor of the kingdom of Ta Chin and in 1636 his grandson occupied Peking to inaugurate the Manchu rule in China the regime which, though it saw the illustrious age of Chienlung, was by revolution brought to an end in 1911. The child emperor Hsüan T'ung abdicated. Fate disclosed to none at the time of how this child ruler was to become some two decades lated the Emperor of the Manchou empire.

Of the Manchou population some estimate it at as many as 7,000,000 while others give something less than 1,000,000, the lowest estimate being around 600,000. From their physical characteristics the Japanese anthropologists differentiate them from those who are called by European scholars by the generic, and often misleading name of Tungus. The Manchou is regarded as a distinct type evolved from the ethnic stock that early made its abode around the foot of Mount Changpaishan. The Manchou is smaller of stature than the Chinese. He is also characterized by olive or light brown complexion, slightly prominent cheek bones, black hair and eyes, the shape of the eye resembling that of the Mongol type, beards and whiskers sparse and shaven except by old men. The women are smaller than the men, showing little difference from the Chinese women in point of stature. They have never practised footbinding, though in all other points they have completely become Chinese.

RACES AND TRIBES OF NORTH MANCHURIA

Tunguses.—Several tribes of pure Tungus origin are found in some northern parts of Manchuria. The name Tungus embraces a number of Orochon tribes which are often designated by the animals they breed or the characteristics of their habits, such as (1) Reindeer Orochons; (2) Horse Orochons; (3) Dog Orochons; (4) Steppe Orochons; (5) Forest Orochons. The Tunguses are indigenes of Siberia, who are in Manchoukuo more or less distributed through Kirin and Heilungkiang provinces. The more important of these tribes are described below.

(1) **Gold or Goldis.**—Of all Tungus tribes this particular group most resembles the Mongol in external characteristics. They speak the same language as the Mongols. They are met with about Sanhsing, being the descendants of the Heishui Mohos. Because men's heads are clean shaved, the Chinese referred to them as "fish-skin pated" or "hairless" men. Their complexion is almost sickly pale. The face is long, the forehead low, the eyes narrowly slit, and the body of medium size. Their disposition is simple and peaceful, with artistic bent as is shown in their carvings.

(2) **Orochons.**—They are mostly found on the upper and middle courses of the Amur and in the Hsingan mountains. Those who live in the former region, as their tribal name Orochon, "reindeer owner," indicates, train the wild reindeer both for mounts and pack animals. Hunting is their chief pursuit. Those who live in the Hsingan mountains raise horses instead of reindeer. Physically, they are small and lean. The head is broad, the features flat, the chin protruding, the nose small, the lips thick, while the eyes are either brown or dark and narrow, and the beards sparse.

(3) **Daours (Daurs).**—This tribe is found in the region around Tsitsihar. It is one of the richest and by far the most cultured of all northern tribes. Those who are at present entrusted with local administration of the same region are mostly men of this tribe.

(4) **Solons.**—This tribe, often erroneously described by Japanese as cannibalistic, inhabits from the west of the Hsingan mountains to the river Hailar and its tributaries. It is hardly possible to distinguish this tribe from the Mongols. Known as good fighters from early days, the men of this tribe formed the backbone of the resistance offered to the invading Cossacks in the 17th century. They are characterized by tall stature, hardy frame, elongated head, deep black hair, round broad features, narrow eyes, flat nose, big mouth and thick lips. They are mostly nomadic.

Giliaks.—This ancient tribe of which there is no more than 5,000 population represents, with the Ainus of Hokkaido, the oldest denizens of north Asia. Approximating the Tungus in many physical points, this tribe is distinguished by the black lank hair common to the men who are often hairy. Other physical characteristics are prominent cheek bones, small deep set eyes, flat nose, yellowish skin, broad head, and low stature. They live in caves in winter and in huts in summer.

RACES AND TRIBES OF MONGOLIA

The inhabitants or indigenes of Mongolia were, from an ethnologic point of view, unknown to China before the Chou dynasty (1122-255 B.C.), when they began to be described as northern barbarians.

Hsiungnu (Huns).—This tribe was the first to come into the history of ancient Cathay. The period of Ch'in and Han, more than two centuries before the dawn of the Christian era, found this tribe as a powerful factor among the northwestern neighbours. They inhabited the present Inner and Outer Mongolia, later separating in northern and southern groups. The latter was at a time powerful enough to impose peace upon the Han dynasty. They later met with reverses at the hand of the Sienpis and Wuhuans, until eventually they broke up in small groups, fleeing westwards.

Tingling.—This northern tribe of uncertain origin is described to have been a terror to the northern group of the Huns in the Later Han period (25—221 A.D.). In a historical account of the Chin period, the 4th century, a portion of this tribe is described to have penetrated as far south as Shansi. The theory held by some European antiquaries that this tribe was a pure indigene of Siberia is unsupported by fact.

The House of Toba.—This tribal group, like the Mujung, is of Sienpi origin. In the last quarter of the 4th century it rose to prominence. Invading what is now known as modern Shansi after successful military campaigns against the Huns and Wuhuans, it set up in 386 the dynasty of Northern Wei. This dynasty eventually acquired control of all China north of the Yangtze, flourishing under a succession of able rulers. However, in 535 the kingdom was divided into Eastern Wei and Western Wei.

Juanjuan.—This is a group originated from the Tunghu stock, being related with the Toba. It is said that Tai Wu Ti of the Wei dynasty, in contempt of the ignorance of this tribe, so called it, comparing it to crawling insects. This, however, appears doubtful in the light of what is written of the tribe in the Nan Chi (Southern History), where it is said that the men of this tribe wore brocade and other clothing of high craftsmanship. Their territory at a time extended "from the western frontier of Korea to the end of the Gobi desert." They were dispersed after disastrous struggle, first, with the above Wei emperor and, next at a later period, with Wen Ti of the Ch'i dynasty and, at the last, with the Turks.

Turks.—The Hsiungnu, undoubtedly of mongrel stock, are also called Turks because, it is said, in their early days they held their stronghold for generations at a fortified hill called Chinshancheng which, because of its likeness to a helmet was called Dürkö, the origin of the name Turk. Living close to the northwestern frontier of China, they had developed into a powerful kingdom in the period of Sui and Tang. They made frequent incursions into China. The Emperor Wu Ti of the later Chou took a Hsiungnu woman for his consort. At the close of the Sui dynasty a number of Chinese are said to have joined the Turks. Later, this tribal kingdom was split into an eastern and a western group. Their final downfall came about in the 7th century when the Ouigours (Wigours), a tribal force of the same ethnic stock, became ascendent.

Tiehlo.—This is another offshoot of the Hsiungnu tribe. Under this general tribal name existed a great number of divisions over areas extending to the east of Hsihai, mostly in the mountains. North of the river Loho about 20,000 of their soldiers had established themselves at the period of Sui. Farther west, as many of their soldiery were found close to Mount Paishan. They served under the eastern and western Turks. They were nomadic, fierce of nature, making predatory raiding their chief pursuit. They were good horsemen. Those who lived to the west are said to have been skilled in horticulture.

Mongols.—The Mongols, in a broad sense, include those of pure Mongol origin, who are represented by the Khalkas, and those of mixed Mongoloid origin such as Kalmuks, Buriats and other Mongolian inhabitants of more or less allied ethnic stock. Some hold that the Mongol is of the same race as the Tartar, and some consider the latter as offspring of the former. All these, however, still remain disputed points.

Khalkas.—The Khalkas comprise a number of related tribes such as **Kalmuks, Paerhhu (Barokh), Buriats, Ordos, Wulyianghai,** etc. Of these, the first and third mentioned are best known. Those of pure Khalka origin are mostly found in eastern Mongolia, numbering about 250,000. The mighty Genghis Khan is said to have been offspring of this tribe. They are not tall of stature, but strongly built with broad shoulders, though the neck is rather small and short. Other external characteristics are black hair, broad flat features, prominent cheek bones, flat nose, pointed chin, sparse beard, oblique and dark brown eyes and yellow tan skin.

Kalmuks.—This Mongol tribe is said to have originated in the Sungaria region. They call themselves "Eleuths" and "Oelöd." They inhabit the southwestern region of Mongolia, Sungaria, and as far as the Tibetan frontier. In Russia, they are distributed over some southern areas and the regions of the Don and Volga. Modern anthropologists call them Western Mongols. Their present number is estimated at 500,000. In old times they were strong and warlike people, but they have scattered over wide areas through war and migration. They are generally characterized by a hardy frame, though medium of stature, round head, short limbs, narrow eyes of lifted outer angle and also eyes set widely apart, flat features, etc. Both males and females are good riders.

The Kalmuks also comprise a number of tribal sub-divisions such as **Sungars, Torgods, Khoshods,** etc.

Buriats.—While the name Buriat is used to designate one of the great tribal divisions of Mongols, some scholars consider them as a part of the Khalkas, estimating their population anywhere between 120,000 and 250,000. Those who regard the Buriats as Siberian indigenes seem to have confounded them with Siberian Yakuts and Tunguses. This is, however, still a disputed point. They all live after the fashion of nomads, being distributed over Mongolia and Siberia, mostly clustering around the tundra and lake Baikal regions. In external characteristics they are, generally speaking, low of stature and short of limbs. Their skin is dark brown and the head round and big. They live in tents and clothe themselves in skin and fur. The women are decorative. They are industrious and thrifty, many of them being prosperous.

Ch'en Pa-erh-hu.—What the Chinese call the Ch'en Pa-erh-hu (Old Barga) is a tribe resembling the Daur. Though few European scholars have noted this tribe, its tribesmen, according to the Chinese historians, constituted one of the eight banners from very early days. Of the Pa-erh-hus, the older group was called **Ch'en Pa-erh-hu** and the new group **Hsin Pa-erh-hu** (New Barga). Because of their military occupation they in part settled on the frontier of Heilungkiang province and in part over areas extending from the Nonni to Holunbuir which is commonly called Barga. Both old and new groups live in nomadic fashion. The older tribesmen resemble the Solons in physical characteristics, but speak a different tongue. Men representing the new group who are now found in Outer Mongolia, originally lived on the northern slopes of the Hsingans. They were transferred southwards by the Manchou authorities at the beginning of the 19th century.

Wulyanghai.—This tribe is said to have been the origin of the Khorchins. It was undoubtedly first found in east Mongolia. The first emperor of Ming, according to Chinese history, receiving their homage, organized them as an outer guard force and stationed them at Ulyangha. Geographically, they are allied with the Olot tribe, but generally described by the Chinese as a separate tribal group.

CHAPTER IV

POPULATION

Introductory Remarks

One of the striking phases of Manchoukuo is the notable increase of the population in the last thirty years, and the predominance of Chinese immigrants. In 1907 the population was estimated at between sixteen and twenty-two millions. According to the return at the end of December, 1937 Manchuria harboured a population of 38,139,978 of which 36,949,975 was accounted for by Manchoukuo and 1,190,003 by the Kwantung Leased Territory.

The Manchoukuoans, inclusive of the Chinese immigrants who comprise more than a third of the population, accounted for approximately 96% of the total population of Manchuria in 1937. The Koreans followed with 2.5% and the Japanese with 1.6%. In other words, throughout the whole of Manchuria in 1937 there were 593,000 Japanese as compared with 36,544,000 Manchoukuoans and 935,000 Koreans. Other nationals represented 67,110.

Table 1. Population of Manchuria Classified by Nationality

(Unit: 1,000)

	Manchoukuo				Kwantung				
	Manchoukuoans	Japanese	Chosenese	Total incl. others	Manchoukuoans	Japanese	Chosenese	Total incl. others	Grand Total
1932	28,903	566*	...	29,606	1,049	243	30	1,324	30,930
1933	30,191	39	552	30,880	1,098	280	30	1,409	32,288
1934	32,052	• 76	663	32,869	1,150	315	31	1,498	34,367
1935	33,258	128	743	34,201	1,234	350	35	1,621	35,822
1936	34,218	190	864	35,338	1,274	370	35	1,681	37,019
1937	35,534	418	931	36,950	1,010	175	4	1,190	38,140
1938	...	...	...	...	1,039	181	4	1,226	...

Note: The population of the S. M. R. Zone is included under Kwantung from 1932 to 1936, from 1937 it is included under Manchoukuo due to abolition of extraterritoriality.
* Includes Koreans.

Population by Provinces.—The largest number of inhabitants are located in the fertile plains of Central Manchuria wherein is located the province of Fengtien which accounted for 9,391,982 persons in December, 1937. This was followed by Kirin province with a population of 5,223,558 and Pinkiang with 4,545,437.

Table 2. Population by Provinces

(December, 1937)

Province	No. of Households	Manchoukuoans	Japanese	Chosenese	Others	Total
Hsinking*	67,077	261,691	65,222	7,045	734	334,692
Kirin	760,374	5,121,521	25,538	76,192	310	5,223,558
Lungkiang	398,182	2,488,272	13,836	6,121	941	2,509,170
Heiho	15,065	63,179	2,508	983	892	67,562
Sankiang	211,538	1,192,467	9,340	22,525	219	1,224,551
Mutankiang	119,053	544,977	22,372	66,214	3,807	637,370
Pinkiang	744,081	4,438,443	32,971	36,197	37,826	4,545,437
Chientao	117,198	158,331	13,037	473,526	126	645,020
Tunghua	124,387	718,274	2,795	75,710	9	796,788
Antung	323,548	2,161,963	19,368	44,234	95	2,225,660
Fengtien	1,484,652	9,110,271	180,382	99,916	1,433	9,391,982
Chinchow	711,353	4,157,127	16,534	16,822	78	4,190,561
Jehol	709,108	3,628,361	6,366	871	66	3,635,664
West Hsingan	100,682	513,916	612	805	22	515,355
South Hsingan	136,059	818,985	1,199	3,891	11	824,086
East Hsingan	16,488	90,424	1,611	328	2,092	94,455
North Hsingan	21,691	65,529	4,232	240	17,660	87,661
Total	**6,060,536**	**35,533,729**	**418,300**	**931,300**	**66,326**	**36,949,975**
Kwantung	206,245	1,009,870	174,587	3,917	1,629	1,190,003

Note: * Hsinking Special Municipality.

Population of Principal Cities.—The largest city in Manchoukuo is Mukden which had a population of 810,465 in December, 1938. This was followed by Harbin with 460,206. The population of the cities is given below:

Table 3. Population of Principal Cities

(Cities with over 30,000 inhabitants only)

(June, 1938)

Hsien	Cities	Manchoukuoans	Japanese	Chosenese	Others	Total	
						Population	Households
Hsinking	Hsinking	274,133	76,135	9,133	893	360,294	71,461
Kirin	Kirin	118,651	10,115	3,397	116	132,279	27,386
”	Huatien	29,495	292	627	—	30,414	4,393
”	Kungchuling	27,970	4,881	786	6	33,643	7,052
	Fuyu	56,864	114	74	13	57,065	10,941
Lungkiang	Tsitsihar	86,886	8,878	634	408	96,806	21,242
”	Taonan	42,740	749	384	15	47,888	8,825
Sankiang	Chiamussu	65,560	3,713	1,420	53	70,746	12,452
”	Fuchin	41,147	308	83	20	41,558	7,792
”	Poli	35,973	518	1,036	..	37,527	6,760
”	Ilan	30,128	239	348	5	30,720	6,865
Mutankiang	Mutankiang	69,628	13,949	16,745	29	100,351	23,991
Pinkiang	Harbin	397,690	29,876	5,128	34,759	467,453	101,393
”	Hulan	49,083	224	107	9	49,423	9,148
”	Acheng	33,002	285	353	255	33,905	6,827
”	Shuang Cheng	52,027	278	190	44	52,539	8,649
”	Hailun	46,727	571	358	28	47,684	8,808
”	Suihua	36,266	598	133	29	37,026	6,890
”	Payenchieh	37,770	128	35	4	37,937	5,992
Chientao	Lungching	8,033	1,308	25,201	37	34,579	7,897
Tunghua	Tunghua	38,852	1,720	1,950	17	42,539	7,194
Antung	Antung	176,890	17,239	16,583	47	210,759	40,432
Fengtien	Mukden	662,757	90,633	17,498	1,128	772,017	151,723
”	Fushun	181,880	26,350	6,398	42	214,670	41,113
”	Penhsihu	61,795	5,243	346	—	66,384	10,726
”	Liaoyang	84,559	4,771	384	12	89,726	15,834
”	Anshan	93,857	25,429	900	49	120,235	21,901
”	Haicheng	33,805	1,134	89	2	37,030	5,952
”	Yingkow	152,186	5,612	1,611	61	159,470	27,886
”	Kaiping	33,684	440	33	1	34,158	5,298
”	Tiehling	44,182	3,339	1,267	4	48,972	9,533
”	Chengchiatun	47,672	977	507	—	49,156	9,314
”	Hsinmin	32,691	245	58	1	32,995	6,434
”	Ssupingkai	48,447	6,763	967	63	56,240	11,951
”	Kaiyuan	29,901	2,379	2,098	2	34,380	6,417
”	Hsifeng	33,484	154	244	4	33,886	5,747
”	Sian	31,339	873	259	4	32,475	7,329
”	Shanchengchen	28,843	269	1,747	3	30,482	5,607
Chinchow	Chinchow	95,824	8,489	599	13	104,935	20,790
”	Ichow	30,108	156	10	1	30,275	5,915
Jehol	Chengteh	38,729	4,074	384	8	43,199	8,803
”	Chihfeng	38,609	1,029	64	11	39,712	8,053
Hsingan S.	Tungliao	39,146	637	655	10	40,448	7,952

Population by Age.—The population of Manchoukuo by age of the various nationalities are tabulated as follows:

Table 4. Population By Age in Manchoukuo

(End of 1936)

Age	Manchoukuoans		Japanese		Chosenese		Others	
	Male	Female	Male	Female	Male	Female	Male	Female
0–14.........	6,432,904	6,266,634	26,508	23,408	148,743	140,962	6,408	6,380
15–49.........	9,983,921	7,477,506	77,946	54,068	285,307	226,164	19,895	20,904
50–59.........	1,252,010	9,917,145	3,703	1,927	19,904	18,135	5,010	3,423
Total including over 60	18,682,169	15,535,343	109,126	80,382	466,211	397,746	34,030	32,273
Grand Total ..	34,217,512		189,508		863,957		67,003	

Population by Occupation

Approximately 60% of the people of Manchoukuo were engaged in farming in 1937. There were a total of 22,268,543 persons eking their living from the industries of agriculture, live-stock and forestry in Manchoukuo. Commerce accounted for 1,756,377.

When the figures are analyzed it is found that the ratio employed in the various industries differs with the nationalities. In the case of the Japanese 18.7% of them were engaged in the official or free occupations, followed by commerce with 18.4%.

Table 5. Population Classified by Occupations

(December 1937)

	Manchoukuoans		Japanese		Chosenese		Others		Total	
		%		%		%		%		%
Agriculture and Forestry	21,722,254	60.1	10,098	2.4	527,463	56.5	8,728	13.1	22,268,543	60.2
Aquatic	50,053	0.1	235	0.0	5,428	0.6	293	0.4	56,009	0.2
Mining	172,773	0.5	25,638	6.0	5,331	0.6	322	0.5	204,064	0.5
Mfg. Ind.	1,032,967	2.9	39,910	9.5	30,057	3.2	6,659	10.0	1,109,593	3.0
Commerce	1,636,297	4.6	73,134	18.4	40,676	4.3	6,270	9.4	1,756,377	4.5
Transportation .	109,455	0.3	29,194	6.9	5,075	0.6	3,388	5.1	147,112	0.3
Official and Free Occupations .	1,317,560	3.7	78,413	18.7	37,657	4.0	9,322	14.0	1,442,952	3.9
Domestic Workers	2,838,110	8.0	22,014	5.3	62,882	6.3	12,670	19.2	2,935,676	7.8
Other Occupations	1,701,209	4.8	40,876	9.8	55,052	5.9	9,479	14.3	1,806,616	4.9
Without Occupations	4,953,053	15.0	98,788	23.0	161,999	17.4	9,190	13.7	5,223,030	14.5
Total	35,533,731	100.0	418,300	100.0	931,620	100.0	66,321	100.0	36,949,972	100.0

Foreign Population.—The principal foreign population of Manchoukuo and Kwantung, excluding Japanese and Koreans, is as follows:

Table 6. Population by Races in Manchoukuo

(1937)

	Men	Women	Total	No. of Households
Manchoukuoans	18,782,004	15,571,998	35,354,002	5,540,108
Mongols	538,352	448,128	986,480	172,913
Mohammedans	104,356	81,895	186,251	36,020
Others	3,703	3,295	6,998	1,725
Japanese	232,908	185,392	418,300	112,342
Chosenese	502,669	428,838	931,507	176,015
Others	65	48	113	27
Soviet Russians	3,552	3,717	7,239	2,622
Poles	689	633	1,322	483
British	191	202	393	167
Americans	102	83	185	82
Germans	199	134	333	138
French	80	242	322	72
Italians	19	11	30	17
Others	1,040	820	1,842	799

References:

Table Nos.: 1 a & b, 2 a, 3 c, 4 d, 5 a, 6 d.
Key: a—S. M. R. Cod.
b—Kwantung Bureau.
c—General Affairs Bd., Manchoukuo.
d—Dept. of Peoples Welfare.

CHAPTER V

IMMIGRATION

The flood of immigration into Manchuria started some three decades ago and in 1927 reached its peak when more than a million Chinese came into the country. Since 1928 the rate of immigration has fallen off considerably. In 1935 the Manchoukuo government instituted a regulation towards restricting the immigration of Chinese and partly as a result of this regulation such entries decreased in 1936 and 1937. But with the inauguration of the Five Year Plan in 1937 the demand for Chinese laborers was felt again, the result being that in 1932 a total of 573,786 laborers entered Manchoukuo. In the same year a total of 282,689 laborers left Manchoukuo, leaving an influx excess of 291,097. This influx excess represented a record figure of recent years.

Table 1. Movement of Chinese Laborers

	Entering Manchoukuo			Leaving Manchoukuo			
	Laborers	Family Members	Total	Laborers	Family Members	Total	Increase
1930	....	....	748,213	....	....	488,504	259,709
1931	....	....	467,402	....	....	461,339	6,063
1932	....	....	414,034	....	....	498,783	–84,749
1933	....	....	631,962	....	....	497,246	134,698
1934	....	....	690,925	....	....	439,628	251,297
1935	....	....	519,552	....	....	495,009	24,543
1936	358,122	65,323	423,445	366,761	69,745	436,506	–13,061
1937	319,286	42,861	362,157	259,098	37,696	296,794	65,363
1938	492,376	81,410	573,786	252,798	29,891	282,689	291,097

Japanese Immigration

Manchuria claims about forty-six per cent. of the entire Japanese overseas population. At the end of 1937 the number of Japanese, not including the Koreans, in Manchoukuo and Kwantung Leased Territory numbered 592,346. A study of their occupation shows that most of them were engaged in business and industrial and communication activities. Very few were doing farming. This characteristic of the Japanese in Manchuria offers a marked contrast to those immigrants in Brazil, America and other lands, among whom farmers predominate.

Before the establishment of Manchoukuo the Japanese communities in Manchuria were practically limited to the Kwantung Territory, the railway zones and the open marts. With the birth of the new State, however, Japanese nationals began to spread to every section of the country, thanks to the freedom of residence, travel and business which was allowed them by the new regime.

The encouragement of agricultural emigrants to Manchoukuo by the Japanese Government is bringing more settlers of the class into the new State but their number is only a small fraction of the other classes of Japanese who have thronged to Manchuria since the Manchurian Incident. Most of these new arrivals are engaged in government service, communications, manufacturing, business and mining. Of those in government service the majority are employed by the Manchoukuo Government. The Manchoukuo State Railways are also using an increasing number of trained Japanese experts, especially since the purchase of the North Manchuria Railway (formerly the C. E. R.) by the Hsinking Government. The staffs of the numerous industrial firms which have sprung into being during the past few years, are also mostly Japanese.

Most of the immigrants are accounted for by the poor rural districts of Japan and for this reason the Department of Overseas Affairs has given monetary assistant in various forms to benefit the settling farmers.

The area of land allocated to the Japanese settlers under the care of the Department of Overseas Affairs is given as follows:

Table 2. Japanese Immigrant Groups Settled in Manchoukuo

(at end of 1938)

Group No.	Province of Settlement	Year	Area Allocated (cho)	Immigrants				
				House-hold	House head	Wife	Others	Total
1st	Sankiang	1932	45,559	301	294	295	606	1,195
2nd	”	1933	14,014	351	346	303	581	1,230
3rd	Pinkiang	1934	10,656	203	203	193	277	673
4th	Mutankiang	1935	26,500	412	412	345	304	1,061
5th	”	1936	22,507	1,039	1,039	751	609	2,399
6th	Mutankiang	1937	32,400	1,381	1,381	367	823	2,581
	Pinkiang	”	13,350	463	463	117	237	817
	Lungkiang	”	14,600	390	390	109	156	655
	Sankiang	”	58,600	1,348	1,348	490	989	3,327
	Total		118,950	4,092	4,092	1,083	2,205	7,380
7th	Pinkiang	1938	154,163	3,200	1,172	67	49	1,286
	Lungkiang	”	7,663	200	34	8	11	53
	Mutankiang	”	4,239	200	59	—	—	59
	Sankiang	”	16,012	400	123	9	13	145
	Kirin	”	32,560	900	343	87	203	633
	Total		214,637	4,900	1,730	171	275	2,176
8th (estimate)	Sankiang, Pinkiang, Mutankiang, Lungkiang & Kirin	1939	451,871	9,900	...	...	...	...

Governmental Assistance

The most notable of the Japanese immigrants into Manchoukuo are those sent by the Japanese Department of Overseas Affairs, who are known as "self-guarding immigrants." Taking the opportunity of the growing interests of the Japanese in Manchuria due to the Manchurian Incident, the Department of Overseas Affairs drew up the outline of a plan for sending Japanese emigrants to Manchuria in February, 1932 and has since sent five batches of emigrants who have established their settlements in Manchuria at the following places:

Economic Standing of Japanese Settlers

A conception of the economic standing of the Japanese settlers is supplied by the following data prepared by the South Manchuria Railway Company's North Manchuria Economic Research Bureau on the settlement at Chifuri (Hunanying) which consists of four households, comprising four men, four women and five children. The capital invested on this unit farm up to 1938 reached ¥7,700 which is divided as follows: Land (72 hectares), M¥3,600; Houses, M¥2,800; Farm Implements, M¥420; Livestock, M¥950; Total, ¥7,770.

The income and expenditures of this group in 1936 is as follows:

Income

Farm Products (Supplies in storage, and products for home consumption considered as income)	M¥4,126.39
Livestock Products	36.82
Secondary Occupations (Transportation Carpentry, Minor Farming)	316.90
Total Income	M¥4,480.11

Expenditure

Seeds	M¥ 253.98
Wages for Employed Hands	1,138.92
Livestock	276.00
Upkeep of Farm Tools	84.00
Upkeep of Buildings and Houses	150.00
Losses and Damages (Five horses stolen and one dead)	700.00
Total Expenditures	2,762.90
Net Income	1,717.21
Net Income per Household	429.00

The foregoing figures do not include living expenses. In taking this vital item into consideration, the following is arrived at:

Living Expenses

Food	M¥ 376.28
Furniture	153.65
Clothing	210.46
Lighting and Fuel	169.18
Sanitation and Health	44.78
Library fee	8.05
Social expenses	77.46
Amusements	1.97
Incidentals	65.80
Miscellaneous	39.29
Insurance	36.00
Total	1,182.92
Net profit	534.29
Net profit per household	133.57

Table 3. Economic Condition of Japanese Settlements

(End of 1938)

Group:	Area under Cultivation (cho)			Live-stocks (No.)					
	Paddy	Upland	Total	Cattle	Swine	Sheep	Goat	Chicken	Duck
1st	205	1,830	2,035	78	836	800	14	1,232	278
2nd	134	1,798	1,932	144	1,427	1,949	11	2,400	127
3rd	250	1,551	1,801	84	535	494	21	289	—
4th	440	2,106	2,591	220	288	1,003	13	230	43
5th	635	3,171	3,806	484	318	481	12	375	143
6th	727	5,399	6,125	126	76	—	7	52	12
Total	2,491	15,855	18,346	1,136	3,480	4,727	78	4,578	603

Table 4. Crop Yield of the Settlements

(1938)

Group No.	Rice (koku)	Soya Bean (koku)	Wheat (koku)	Barley (koku)	Oat (koku)	Millet (koku)	Maize (koku)	Sweet potato (kwan)
1st	1,463	2,928	920	1,628	3,884	1,644	694	51,750
2nd	1,554	4,475	3,537	715	2,854	925	289	42,400
3rd	1,808	4,680	2,020	2,946	1,428	1,755	453	40,250
4th	4,380	2,700	1,477	1,572	2,894	131	200	55,248
5th	5,530	3,568	1,046	1,271	2,050	476	505	92,500
Total	14,735	18,351	9,000	8,132	13,110	4,931	2,141	282,148

Table 5. Condition of Free Pioneers

(As at end of October, 1938)

Croup Name:	Area under cultivation (cho)	No. of Families	Total population
Railway Self-protective Village	8,383	448	1,415
General Free Pioneers	42,116	766	1,692
Forestry Pioneers	4,426	255	1,194
Tobacco Farming Pioneers	50	10	33
Young Men's Voluntary Groups	...	...	16,340

Table 6. No. of Chosenese Immigrating into Manchoukuo in 1937

		No. of families	Population	Location of Settlements
Group immigrants	Spring	2,339	12,159	Antu, Wangtsing, Yenki, Yingkow
Free immigrants	”	694	3,007	Yingkow, Liuho, Muling
Special immigrants	”	253	1,030	Hwaiteh
” ”	Autumn	774	3,039	Tiehling, Yenki, Panshih, Chinchow, Weiho, Tailai
Total		4,060	19,235	

Free Immigrants

Besides the Japanese immigrants sent by the Japanese Department of Overseas Affairs there are a number of immigrants who have set up their settlements independently under the supervision of various organs, societies or religious bodies. These colonists numbered 2,150 as at the end of 1937 and had under cultivation an area of 12,661 hectares.

Chosenese Farming Immigrants

The immigration of Koreans to Manchuria with Chientao as a centre is very old in origin. Korean immigrants mostly worked on the paddy fields which are not suited for Chinese farmers. But the famine which had come at close intervals since 1920 had dealt a serious blow to these Korean farming immigrants. This, coupled with the frequent occurrence of battles caused great difficulties to them in the way of getting repayments from their Chinese debtors or securing credit. To make the situation worse, since 1929 they had suffered from a serious set-back of silver price and pressure brought to bear upon them by the Chinese authorities. The Manchurian Incident offered them a rare opportunity to revive. They have well availed themselves of the opportunity thus offered. The authorities of the Government-General have not remained inactive. On the contrary, they have a plan for the emigration of Korean farmers to North Manchuria extending over a period of ten years and have estimated ¥50,000,000 as a necessary expenditure. On the other hand, directly after the Manchurian Incident, the Government-General caused needy Korean farmers to set up a "safe farming village" by granting them a certain sum of money. These safe farming villages are now in four different places, namely, Yingkow, Tiehling, Suihua, Hotung. The village at Yingkow was established in May, 1933. There are about 1,000 households and paddy fields are under tillage to the extent of 2 cho 4 tan per household. The results of farming for 1934 were very satisfactory as the rice crop was 2 "koku" 3 "to" per tan on the average. The Suihua farming village covers an area of 1,000 cho. The area of paddyfields is 2 cho 4 tan per household. At present there are 350 households. The area under plough for 1935 was 840 cho. Earnings are estimated at ¥420 per household. The rest of the Korean settlements are the same as the foregoing in style. The Tiehling settlement was started in 1932 with 190 households. The number of households increased to 233 in 1933 and to 242 the following year. The area under cultivation is 700 cho. The Hotung settlement was started in 1933 with 852 households including some local inhabitants. The number of their households increased to 1,000 in the spring of 1935. The area under tillage is 2,000 cho all representing paddy-fields.

Immigration Companies

Two immigration companies, one for transplanting Chosenese into Manchoukuo and the other for Japanese have been established. The Chosen-Manchoukuo (Sen - Man) Colonization Company is capitalized at ¥30,000,000 and is guaranteed a dividend of 5% by the Government-General of Chosen. The Company intends to settle one million colonists in Manchoukuo, representing 160,000 households.

The Manchuria Colonization Company for helping Japanese to settle in Manchoukuo was established in December, 1935. The Company is capitalized at ¥15,000,000 and plans to settle 200,000 Japanese immigrants in North Manchuria with Ilan as the center in the course of ten years.

Twenty-Year Japanese Immigration Plan

Even before the fifth detachment of the experimental mass immigration found its way into Manchuria, the most prospective outlook shown by the First and Second Settlements led to the calling of a colonization conference at Hsinking late in November, 1934. It was attended by more than fifty experts, involving practically all governmental agencies, both Japanese and Manchoukuo, and other organizations and individuals interested in the immigration question. As a result of general reviews and constructive deliberations, not only an encouraging possibility of the settlement of Japanese farmers in North Manchuria was revealed, but a new start was made in handling the immigration question with added seriousness. The new impetus thus given led to the creation in 1935 of a Colonial Affairs Administration Section in the People's Welfare Department of the Manchoukuo Government for the purpose of assisting Japanese into Manchuria. At Tokyo, the Manchuria Colonization Society was organized in November, 1935, for the purpose of arousing popular interest through publicity, assisting and training prospective emigrants, and acting as an inquiry office as well as an advisory body. Then followed the establishment of the Manchuria Colonial Development Company in December, 1935.

Table 7. Twenty-Year Plan for Implanting 1,000,000 Japanese Families (5,000,000 Persons) in Manchuria

(A) Stages

	Families
1st stage	100,000
2nd stage	200,000
3rd stage	300,000
4th stage	400,000
Total	1,000,000

(B) Location of Settlements

	Hectares
Immigrant farmers:	
Vicinity of Chiamussu	1,000,000
” ” Hulin	1,000,000
” ” Haolichen	1,000,000
” ” Aigun	500,000
” ” Menkiang	1,000,000
” ” Lungchen	1,000,000
” ” Wuchang	300,000
” ” Chuho	50,000
” ” Puhsi	1,000,000
” ” Chinchow	500,000
Total	7,350,000
Livestock-farming immigrants:	
Vicinity of Solun	500,000
” ” Kailu	500,000
” ” Kulun	500,000
” ” Linhsi	500,000
” ” Chalantun	500,000
Immigrants settling in suburbs of cities:	
Mukden, Hsinking, Harbin, Hailun and Tsitsihar	.....
Mining immigrants:	
Vicinity of Oupu	.....
Immigrants engaged in lumbering:	
Kirin Province	500,000

Reorganization Manchuria Colonial Development Company

The Manchuria Colonial Development Company (Manshu Takushoku Kabushiki Kaisha) was established at Hsinking with an authorized capital of ¥15,000,000 as a special Japan-Manchoukuo corporation. It was created for the purpose of assisting settlers through acquisition

of land suitable for settlement, supervision and distribution of such land, and provision of financial aids and other necessary equipments and facilities for settlers. One-third of the capital was provided by the Manchoukuo Government, one-third by the South Manchuria Railway Company, and one-third by the general public in Japan. The actual establishment of the Company took place late in December, 1935, with a paid-up capital of ¥9,000,000 and started its activities in January, 1936. The Company succeeded to a tract of land, about 1,000,000 cho, originally acquired by the East Asia Land Development Company (Toa Kangyo Kabushi Kaisha), and in April, 1936, drew up a plan for settling 20,000 Japanese farming households in ten years, beginning with 1,500 households during 1936. Each household was to have 20 cho of land and necessary assistance in the settlement. For this purpose, the Department of Colonial Affairs in Tokyo placed at the disposal of the Company a special fund of ¥1,135,000. It was under this plan and through the general supervision of the Manchuria Colonial Development Company that the Fourth and Fifth Settlements were actually realized during 1936 and 1937.

In the meanwhile appeared a still larger plan for settling one million Japanese farming households involving five million farmers in twenty years. After studies and deliberations, this plan was adopted by the Tokyo Government as a national project in August, 1936. This program divides the settlers into two general classes: (1) those receiving direct governmental aid and protection, and (2) those receiving aid from private organizations or relying upon their own resources. Each household in the former subsidized-immigrant group was to receive approximately one thousand yen to cover travelling expenses, housing allowance, purchase of farming implements, leasing of land, and other necessary expenses, while the latter free-immigrant group was to receive about ¥300 to cover travelling expenses and acquiring farm lands. For the sake of convenience, the twenty-year period is divided into four five-year stages and the number of immigration was allotted as follows: 100,000 households during the first stage, 200,000 households during the second stage, 300,000 households during the third stage, and 400,000 households during the fourth stage.

The 70,000 farming households which were to migrate into Manchuria during 1937-41 were to be selected from among sturdy farmers all over Japan: 26.14% from six prefectures in the Tohoku (Northern) region of Japan, 11.68% from seven prefectures in the Kanto (Eastern) region, 22.45% from nine prefectures in the Chubu (Central) region, 8.28% from seven prefectures in the Kinki (Mid-Western) region, 11.36% from five prefectures in the Chugoku (Western) region, 6.66% from four prefectures in the Shikoku region, and 13.43% from eight prefecture in the Kyushu region.

For the realization of such a large immigration project, the existing Manchuria Colonial Development Company was considered to be quite inadequate. At first an increase of its authorized capital to ¥50,000,000 was seriously considered but eventually, by May, 1937, both Tokyo and Hsinking decided to establish a new and stronger corporation to succeed to the existing one. The Tokyo Government approved the treaty thereon on July 2 and the Privy Council on July 28, while the Hsinking Government passed upon the same plan on July 7 and the Privy Council on July 28. As a result, the Japan-Manchoukuo Treaty and accompanying documents were signed on August 2, 1937, by Ambassador General Kenkichi Uyeda and Premier Chang Ching-hui. Three days later, Japanese and Manchoukuo committees, each with fifteen members, were named to make necessary preparations for the establishment of the proposed Company. The Manchuria Colonial Development Company (Manshu Takushoku Kosha) thus prepared was established on August 31, succeeded to the Manchuria Colonial Development Company (Manshu Takushoku Kabushiki Kaisha) on September 1, and began its official life on the same date. The new Company is a Manchoukuo special corporation with an authorized capital of ¥50,000,000 (Japanese Government, ¥15,000,000; Manchoukuo Government, ¥15,000,000; South Manchuria Railway Company, ¥10,000,000; and Japanese-Manchoukuo public, ¥10,000,000). Its fundamental purpose is the same as that of its predecessor and it took charge, not only of the already settled groups, but also of the new project for the settlement of 1,000,000 households with 5,000,000 farmers in twenty years already outlined. To assit its various activities the Manchuria Colonial Development Committee, composed of seven Japanese and seven Manchurian members, was created at Hsinking on September 1, 1937, while the Manchuria Colonization Society (Manshu Iju Kyokai) in Japan was transformed into a legal corporation on April 30, 1937, and enlarged the scope of its activities to harmonize with the new outlook.

According to this new plan, the Japanese Government was to advance necessary subsidies and to despatch leaders for the purpose of establishing and managing settlements for three years, while the Manchuria Colonial Development Company was to loan out necessary funds. The total fund required during this first three year period was estimated at 2,560 yen per household. Besides 240 yen advanced by the Japanese Government for travelling expenses, the Japanese Government was to furnish 650 yen as subsidy and the Manchuria Colonial Development Company was to loan out 1,910 yen toward these expenses. In the case of the free immigrants, the Japanese Government was to subsidize up to 500 yen per each household for necessary expenses. Under this general plan, the Manchuria Colonial Development Company in cooperation with the Japanese and Manchoukuo Governments, took charge of the sixth wave of 3,787 immigrants in 18 groups during June and July, 1937, and settled the seventh batch of 1,156 immigrants in 22 groups during February, 1938. It may be added that roughly 15,000 other persons, who were trained for immigration, 10,000 of whom are subsidized group immigrants and the remainder free immigrants, joined the army in connection with the current China Incident and could not participate in the scheduled settlement.

Immigration of Japanese Youths in 1939

The Manchuria Colonial Development Co. has planned to bring over 30,000 Japanese volunteer youth immigrants from Japan for the year 1939. According to the plan, 4,800 youths were to arrive in May, 5,100 in June, another 5,100 in July, 4,800 in August, 5,100 in September and the same number in October. Of this total 10,200 will settle at the Tiehli Training Camp, 4,500 at the Poli Training Camp, 4,800 at the Nenkiang Training Camp, 5,100 at the Tuitien Training Camp, 2,100 at the Ningan Training Camp, 900 at the Sunwu Training Camp, 2,400 at the Harbin Training Camp, and 900 at the Changtu Training Camp.

State Ownership of Immigrants' Lands

The policy of the Manchoukuo government with regard to lands allocated for settlement by Japanese immigrants is characterized by the factor of state ownership. The lands are to be prepared for occupancy and cultivation at the hands of the General Board of Immigration, of Manchoukuo. The immigrants are to secure permanent tenancy of the land, in place of ownership, and a sound guarantee is granted for the right of tenancy as proof against dispossession. Furthermore, for building up wholesome rural villages, for managing the farming industry on ideal lines, for stabilizing agricultural economy, and for elevating the farmers' level of living, the authorities propose to establish a hereditary indivisibility between the farmers and their tenanted lands, to prevent any one outside any particular village from owning farmland in it, to keep farmlands from being split up, to prevent monopolistic possession of an extensive farm area, and to do away with all absentee land-owners from fattening on the tenancy rents. In addition, special regulations and arrangements will be instituted, restricting the transfer of farmland to any one other than one of the immigrant colonies or other specific parties. In case any settler is deprived temporary, wholly or in part, of the ability to tend the farmland, the gap so created then is to be properly filled by one of the parties just mentioned.

References:

Table Nos.: 1 a, 2-4 b, 5 a, 6 c, 7 b.
Key: a—S.M.R. Co.
b—Dept. of Overseas Affairs.
c—Sen-man Takushoku K.K.

CHAPTER VI

ADMINISTRATION

The administration of Manchoukuo is nominally vested in the person of the Emperor. The actual administrative work is carried on by the State Council, presided over by the prime minister, with the sanction of the Emperor. Important revisions in the administrative system were effected and enforced from July 1, 1937 with a view towards facilitating the work of the national programme and to secure the best possible efficiency in the task of building the state. By virtue of the revisions the responsibility of the prime minister has been greatly increased. The main features effected by the reforms are as follows:—

1. Abolition in the submission of views to the Throne by the Privy Councillors.

2. Abolition of the Supervisory Council and the creation of the Bureau of Audit in the State Council.

3. Establishment of the Office of Home Affairs in the State Council with charge, under the direct supervision of the Prime Minister, of matters concerning the general guidance of local organizations and the general supervision of provincial governors.

4. Establishment of the Planning Council, under the direct control of the Prime Minister, to study and deliberate upon basic national policies.

5. Establishment of the Office of Foreign Affairs under the jurisdiction of the Prime Minister, replacing the Department of Foreign Affairs, and with charge of matters concerning the supervision of envoys and consuls abroad, international negotiations, guidance and protection of nationals abroad and investigation of international political affairs. Transference of matters concerning commercial affairs to the new Department of Economics.

6. Amalgamation and reorganization into the Department of Public Peace of the Department of Defence and the Bureau of Police Affairs under the former Department of Civil Affairs.

7. Abolition of the Department of Mongolia Administration and the establishment of the Office of Hsingan Affairs under the direct control of the Prime Minister. The president of the new Office to render assistance to the Prime Minister in coordinating and adjusting matters concerning the administration of Mongols which shall be executed by the various Departments concerned.

8. Establishment of the Departments of People's Welfare, Industry, Economics and Communications, replacing the Departments of Civil Affairs, Industry, Finance, Communications and Education.

(a) The Department of People's Welfare takes charge chiefly of administration concerning education, social affairs, public health, stabilization of the people's life and elevation of the national spirit.

(b) The Department of Industry takes charge of administration concerning husbandry of the people's resources, and exploitation and conservation of natural resources. The Horse Administration Bureau formerly attached to the Department of Defence was merged into the Bureau of Live-Stock Farming, and an independent bureau was created under the jurisdiction of the Department of Industry. The Bureau of Forestry existing within the Department of Industry was raised to the status of an independent bureau under the jurisdiction of this new Department.

Abolition of the Provisional Industrial Research Bureau. Jurisdiction under the Department of Industry of the Patent Bureau and the Hydro-Electric Power Construction Bureau.

(c) The Department of Finance and Commerce takes charge of administration concerning the financing of exploitation and conservation of natural resources and other matters connected therewith.

The General Monopoly Office is placed under the jurisdiction of this Department. The Weights and Measures Bureau, formerly attached to the Department of Industry, is transferred to the jurisdiction of this Department and is reorganized into the Weights and Measures Examination Office.

(d) The Department of Communications takes charge of administration concerning communication and transportation.

The General Administration Bureau is placed under the jurisdiction of this Department.

The various Navigation Bureaux have been merged into the Customs Houses, and the superintendents of the Customs Houses are to be supervised by the Minister of

Communications in so far as matters relating to navigation are concerned.

9. The Organizations of the Courts and the Department of Justice remain in general as hitherto.

Ordinance of Manchoukuo Empire

In March 1934, the Government issued the following ordinance on the inauguration of an Imperial Regime in Manchoukuo.

By the grace and will of Heaven, we have acceded to the Throne and have indicated the fundamentals of the soverign organization by enacting the Organic Law. In the exercise of the supreme power We shall conform to the provisions of the said Law and shall not suffer the same to be violated.

Imperial sign-manual and Imperial seal
First day of March, First year of Kangte (1934).
Countersigned by
The Prime Minister and
Ministers of the Departments.

Chapter I. The Emperor

Article I.—The Manchou Empire shall be reigned over and governed by an Emperor. The succession to the Imperial throne shall be as determined separately.

Article II.—The dignity of the Emperor shall be inviolable.

Article III.—The Emperor is the head of the Empire, supervising the sovereign rights, and shall exercise them in accordance with the provisions of the present Law.

Article IV.—The Prime Minister shall give his advice to the Emperor and be responsible for it.

Article V.—The Emperor shall exercise the legislative powers with the approval of the Legislative Council.

Article VI.—The Emperor shall cause the courts of justice to exercise the judicial powers in accordance with the law.

Article VII.—The Emperor shall issue or cause to be issued ordinance for the maintainance of public peace and order and for the promotion of public welfare, or for the carrying out of laws. But no such ordinance shall in any way alter any of the existing laws.

Article VIII.—The Emperor, in consequence of an urgent necessity of maintaining public safety or averting emergency calamities, shall be empowered to issue, with the approval of the Privy Council, when it is impossible to convene the Legislative Council, Imperial ordinances which shall have the identical force of law. Such Imperial ordinances, however, shall be reported at the following session of the Legislative Council.

Article IX.—The Emperor shall determine the organization of the different branches of administration, appoint or dismiss government officials and shall fix their salaries, except in the case of those especially provided for in the present law or other laws.

Article X.—The Emperor shall have the power to declare war, make peace, and conclude treaties.

Article XI.—The Emperor shall have the supreme command of the military, naval and air forces.

Article XII.—The Emperor shall confer decorations and other marks of distinction.

Article XIII.—The Emperor shall order amnesty, pardon, commutation of punishments and rehabitations.

Chapter II. The Privy Council

Article XIV.—The Privy Council shall be composed of Privy Councillors.

Article XV.—The Privy Council shall, when consulted by the Emperor, submit its opinions relative to the following matters:

(1) Laws;
(2) Imperial House Law;
(3) Imperial Ordinances;
(4) Budgets and matters pertaining to contracts other than budgets which entail obligations upon the National Treasury;
(5) Treaties and agreements negotiated with foreign nations and declarations issued in the name of the Emperor;
(6) Major appointments and dismissals of government officials;
(7) Other important matters of the State.

Article XVI.—The Privy Council may report its views to the Throne on important matters relating to the affairs of the State.

Chapter III. The Legislative Council

Article XVII.—The organization of the Legislative Council shall be as determined separately by law.

Article XVIII.—All legislative and budgetary bills and matters pertaining to contracts other than budgets entailing obligations upon the National Treasury shall require the approval of the Legislative Council.

Article XIX.—The Legislative Council may present proposals relating to affairs of the State to the State Council.

Article XX.—The Legislative Council may receive petitions presented by the People.

Article XXI.—The Legislative Council shall be convoked annually by the Emperor. The duration of the ordinary session shall be one month which may, however, be prolonged by the Emperor in case of necessity.

Article XXII.—No session of the Legislative Council can be opened unless more than one third of the total number of the members are present.

Article XXIII.—The proceeding at a session of the Legislative Council shall be decided by a majority vote. In case of a tie-vote, the chairman shall have the casting vote.

Article XXIV.—The deliberations of the Legislative Council shall be held in public. Closed session may, however, be held upon demand by the State Council or by a resolution of the Legislative Council.

Article XXV.—All legislative and budgetary bills and matters pertaining to contracts other than budgets which entail obligations upon the National Treasury shall be sanctioned, promulgated and put into force by the Emperor.

In the event of the legislative and budgetary bills and matters other than budgets pertaining to contracts which entail obligations upon the National Treasury being rejected by the Legislative Council, the Emperor shall represent them to the Legislative Council by indicating his reasons therefore. When further rejected, the Privy Council shall be consulted for its decision thereon.

Article XXVI.—No member of the Legislative Council shall be held responsible outside the Council for his opinions uttered or for any vote given within the Council.

Chapter IV. The State Council

Article XVII.—The State Council shall take charge of all administrative affairs.

Article XXVIII.—The State Council shall be composed of the Departments of Civil Affairs, Foreign Affairs, Defence, Industry, Communications, Justice and Education.

Article XXIX.—The State Council shall have a Prime Minister and each of the Departments a Minister.

The Minister of each Department shall be responsible for the affairs over which he exercises jurisdictions.

Article XXX.—The Prime Minister and the Ministers of the Departments may attend the sessions of the Legislative Council at any time and may have a voice in its deliberations, but shall have no vote.

Article XXXI.—All Imperial edicts or rescript, Imperial messages, laws and Imperial Ordinances relating to State Affairs shall bear the counter signatures of the Prime Minister and the Ministers of the Departments concerned.

Chaper V. The Courts

Article XXXII.—The Courts shall, in accordance with law, conduct trials of civil and criminal cases. In respect to administrative and other special litigations, however, special provisions shall be made by law.

Article XXXIII.—The organization of the courts and the qualifications of the judicial officials shall be determined by law.

Article XXXIV.—The judicial officials shall command independence in the discharge of their duties.

Article XXXV.—No judicial officials shall be dismissed except by trials on criminal offence or disciplinary punishment, nor shall he be subjected to suspension, transfer of position or office and reduction of salary, against his will.

Article XXXVI.—The trials and judgements of the Courts shall be open to the public. Cases which threaten to disturb the public order and peace, or in which public morals are liable to be in danger, however, may be closed to the public in accordance with the law or by decision of the Courts concerned.

Chapter VI. The Supervisory Council

Article XXXVII.—The Supervisory Council shall conduct supervisory duties and audit the accounts. The organization and duties of the supervisory council shall be determined separately by law.

Article XXXVIII.—The Supervisory Council shall have supervisors and auditors.

Article XXXIX.—No supervisor or auditors shall be dismissed except by trials on criminal offence or disciplinary punishment, nor shall any supervisor or auditor be subjected to suspension, transfer of position and reduction of salary, against his will.

Supplementary Provisions

Article XL.—The present Law shall come into force on the First day of March, First year of Kangte.

Article XLI.—The Emperor, may, for the time being, issue Imperial ordinances or decrees possessing the identical force of law, fix the budgets or make contracts other than budgets which entail obligations on the National Treasury, with the approval of the Privy Council.

Article XLII.—All previous ordinances, Council orders, and other laws and ordinances irrespective of their designations or titles shall continue to remain in force.

Life Sketch of His Majesty, the Emperor of Manchoukuo

His Majesty, Pu Yi, Emperor of the Manchoukuo Empire, was born on February 6, 1906 at Peking, China. On November 14, 1908 he was proclaimed Emperor of China upon the demise of his uncle, Emperor Kwan Hsu. The infant Emperor, twelfth in the line of the Ching dynasty, had been on the throne only a few years when a revolution broke out in China, causing his abdication on February 12, 1912. The Manchu dynasty thus came to an end after ruling over China for 267 years. An attempt was made to restore the Emperor to the throne by General Chang Hsun in July, 1917 but failed.

In October, 1924 he was forced to give up his palace at Peking by General Feng Yu-hsiang (the "Christian General") and through Sir Reginald Johnston, his British tutor, sought refuge in the German Hospital in the Legation Quarter, from whence he later found haven in the Japanese Legation. Some three months later the Emperor moved to Tientsin and took up his residence in the Japanese Concession, where he lived until the outbreak of the Manchurian Incident in September, 1931.

On March 1, 1932 he became the Chief Executive of Manchoukuo and in March, 1934 was proclaimed first Emperor of the Manchoukuo Empire. In April, 1935 the ruler paid a formal visit on T.I.M. the Emperor and Empress of Japan.

Her Majesty, The Empress of Manchou.—Her Majesty, the Empress of Manchoukuo, was born in 1907, the daughter of Jung Yuan and was married to the Emperor in 1923.

Law Governing Succession to Imperial Throne.—(See Page 648 of the 1939 issue).

Cabinet Members of Manchoukuo

(June, 1939)

Ministers:

Prime Minister	General Chang Ching-hui
Dept. of Imperial Household	Hsi Chia
Dept. of Public Peace	General Yu Sheng-chang
Dept. of people's Welfare	Sun Chih-chang
Dept. of Justice	Chang Huan-siang
Dept. of Industry	Lu Jung-hua
Dept. of Finance and Commerce	Han Yu-chieh
Dept. of Communication	Li Shao-keng
Dir.-General of General Affairs Board	Hoshino Naoki
President, Privy Council	Tsang Shih-yi
Lord Keeper of Privy Seal	Yuan Chin-kai

Decorations

Decorations granted by the Imperial Court of Manchoukuo are divided into four classifications as follows:

(1) Ta-hsun-wei-lan-hua-chang-king-shin (the Collar of the Grand Order of the Lanhua), grantable only to holders of the Grand Order of Merit.

(2) Ta-hsun-wei-lan-hua-ta-shou-chang (the Grand Cordon of the Lanhua), grantable to those with or to be conferred the Grand Order of Merit

(3) Lung-kung-ta-shou-chang (the Order of Lungkuang), grantable only to those who are to be conferred or who have been conferred the First Order of Merit.

(4) Ching-yun-chang (the Order of Chingyun), grantable to those who are to be conferred any of the decorations from the First to the Eighth Order of Merit, excepting those who have been conferred the First Order of Merit and who have been granted the Order of the Lungkuang.

The orders of merit consist of nine grades. They are the Grand Order of Merit and those from the first to the eighth order. The orders of merit are conferred through letters patent. The letters patent for holders of the Grand Order of Merit, the First or the Second Order of Merit shall bear the Imperial Sign Manual and the Seal of the State as well as the signature of the Prime Minister who also enters the date by Imperial command. The letters patent for holders of any of the orders or merit of or below the Third Order of Merit shall bear the Seal of the State and the Signature of the Prime Minister who shall also enter the date by Imperial command. The Director of the Bureau of Decorations (of the General Affairs Board) shall enter in each letter patent a number according to the grade of decoration to be conferred, and shall append a note to the effect that the number has been entered in the Register provided for the purpose, and shall also affix the Seal of the State Council and his signature.

Allowance to Officials

(1) For medical treatment.

(a) at home ......M¥2.00 a day.
M¥1.50 a day after 20 days.

(b) at hospital:—
Te-jen & Chieh-jeh..M¥10.00 a day.
1st to 4th classes, of Chien-jen ....M¥ 8.00 ”
5th class of Chien-jen to 2nd class of Wei-jen..........M¥ 6.00 ”
Others ....M¥ 4.00 ”
The limit of period is 180 days.

(2) For injuries.
The sum differs according to the kinds of injuries.
1st class ......18 months' salary.
16th class ......half a month's salary.

(3) For the family of the deceased.
Ordinary case...15 months' salary.
Special case.....18 months' salary. (Battle, etc.).

Persons qualified to the above allowance in their respective order are given below: 1. Wife. 2. Son. 3. Grandson. 4. Parents or parents-in-law or sisters-in-law and brothers-in-law. When the persons qualified in the same class exceed a certain number, the allowance is divided in equal portions.

Grants to Officials

(1) Resigned officials, (after more than one year's service). This rule is applied to the officials who resigned due to public injuries or disease after over a year's service.

1 year	1	month's	salary
2 years	2	”	”
3 years	3	”	”
4 years	4	”	”
5 years	6	”	”
6 years	8	”	”
7 years	10	”	”
8 years	12	”	”
9 years	14	”	”
10 years	16	”	”
More than 10 years	An additional monthly salary for one year.		

The official may appoint the person qualified for this pension. Otherwise, the order shall be the same as the allowance mentioned above.

(2) To the deceased during his service.
The pension shall be his last salary multiplied by the number of his service years plus 2 years.
The official can nominate the person qualified for the pension.

Order & Salary of Officials

(1) Te-jen. Appointed by the Emperor himself.
Monthly Salary .... between M¥1,800 and M¥1,000.

(2) Chien-jen. Appointed by the Imperial Command.
Monthly Salary .... between M¥1,000 and M¥500.

(3) Chien-jen. Appointed by the approval of the Emperor.
Monthly Salary .... between M¥ 450 and M¥75.

(4) Wei-jen. Appointed by the judgment of the Government.
Monthly Salary ....between M¥ 170 and M¥30.

The number of official, exclusive of the Army and Navy, classified by ranks, was returned as followed at the end of December, 1935.

Rank	Number
Te-jen	38
*Chien-jen	171
Chien-jen	1,648
Wei-jen	7,787
Total	9,644

Note: * Though pronounced alike as the rank which it follows, the Chinese characters which identify them are different.

THE CONCORDIA ASSOCIATION (HSIEH-HO-HUI)

The Concordia Association, or the Hsieh-ho-hui as it is known in the Manchurian tongue and as the Kyowa-kai in Japanese, is a national organ which has for its object the union of the various races in Manchoukuo in an association devoted to the attainment of the common object of building up an ideal State. Its members are composed of officials, scholars, lawyers, merchants, peasants, workmen, etc.

The Concordia Association is headed by the president who is the premier, and directly under him is the Central Headquarters located in Hsinking. The latter in turn control the principal headquarters in each province and the Metropolitan Headquarters in Hsinking, with headquarters in each hsien (Prefecture), banner (in the Mongol provinces a prefecture is called a banner) and city, and under them numerous branches.

The ideals of the Concordia Association are (1) the establishment of inseparable relations between Japan and Manchoukuo—oneness in spirit and virtue; (2) the concord of races; (3) the creation of a moral world through racial concord, and (4) the bringing into practice of an original Wangtao government.

In its task of rearing a nation of astute individuals, the Concordia Association is putting its greatest energy into the training and education of promising young men. Upon the establishment of a system for the training of youth in 1936, the Hsieh-ho-hui took over its management, and since then it has founded 70 young men's training schools in the important hsien, which have to date turned out more than 7,000 graduates. At these schools the students during a period of three months live under guidance of teachers sent by the Central Headquarters, and receive group spiritual and military training, as well as academic instruction so that they may develop into useful citizens.

JAPANESE COOPERATION IN ADMINISTRATION OF MANCHOUKUO

"We are hereby set to formulate all the far-reaching design for the safe-guarding of our domain and the future policies for its administration, in close co-operation and harmony with the Empire of Japan": so declared the first Emperor of Manchoukuo on the day he ascended the throne on March 1, 1934. The above expression enunciating the fundamental principle of administrative policy becomes tangibly clear when it is remembered that in 1932 Foreign Minister Hsieh Chieh-shih, in his note addressed to leading nations of the world, declared the intention of his government "to perfect the institution of laws and to establish security for life and property, contrary to the 'corrupt discipline,' 'outrageous exaction' and 'anti-foreign policies' which were characteristic of the old militaristic Government." Of the scope and character of what has actually been accomplished to date by way of realizing the above official promise the following parts of this chapter and other sections of the present compilation will afford a comprehensive idea. What engages our attention here is the question how far and in what ways Japan has co-operated, and is co-operating, in the task of making the new Manchoukuo empire.

Number of Japanese

The official list of men serving in one capacity or another in the present administration of Manchoukuo is composed of 5,700 names of which about 3,250 are Japanese as judged from their personal names. Of the remaining portion the Chinese and Manchou officials are in a preponderate number, the Mongol and Korean making up each a small percentage. These Japanese officials serving in Manchoukuo consist largely of young men taken out of acting service. Mr. Naoki Hoshino, Secretary-General of the Manchoukuo State Council, for instance is a man still in his late forties. The ministerial posts are held without exception by men of Chinese, Manchou or Mongol extraction. These ministers are invariably supported by high executives of Japanese origin.

It is scarcely of less significance to look into the composition of the administrative system from the racial point of view . Japanese ability of organization and executive efficiency seem to have been availed of wherever necessary. Where corruption ruled in old days, and is most to be feared, the Manchou officials are assigned to subordinate places. The posts of councillors who in each department are in charge of actual administrative work are held by Japanese officials.

Directly under the State Council, the highest organ headed by the Prime Minister, the Secretariate and the seven bureaux constituting the General Affairs Board are each headed by Japanese.

The nine departments of state, with the exception of that of Mongolia Administration are under the direction of Manchou Ministers, sometimes assisted by Manchou Vice-Ministers, but in no case are Japanese placed in any of these high places. But the bureaux and sections under these ministers are in charge of Japanese chief executives known as Councillors. The Department of Mongolia Administration is presided over by a Mongol prince. Of the three principal executive sections under him two are in charge of Mongol officials, the one being headed by a Japanese sectional chief.

Under the Department of Civil Affairs the Bureau of Police Affairs comprises numerically the largest staff. The central police force is formed about equally of Manchous and Japanese. But the frontier police guard forces, forming altogether what is known as the Special Police Corps, is formed of about 170 Japanese against 50 Manchous, the latter being employed as low-ranked patrol men. What is known as the Harbin Mobile Police Force is formed exclusively of Japanese.

The Department of Foreign Affairs is the only division with a Japanese Vice-Minister, the similar places being held by Manchous in the other departments. Of the four bureaux of General Affairs, Commercial Affairs, Political Affairs and Information and Publicity all are headed by Japanese.

In the Department of Defence all important positions are held by Manchou officers. On the General Staff the Manchou far outnumber the Japanese. The advisory body to the General Staff consists of more Japanese than Manchou military men.

The efficient management of finance in Manchoukuo is apparently to be credited to the Japanese officials who far outnumber the other nationals in the Department of Finance. The monopoly offices of matches, opium, etc., and in the salt administration office actual executive work is chiefly entrusted to Manchou officials who are in a preponderate number.

In the Department of Communications, post and air services are practically carried on by Manchou officials and employees, though the higher places are held by Japanese. The post-offices are without exception in charge of Chinese and Mongol masters.

In judicial administration where the former Chinese authorities had been notoriously guilty of mismanagement, it is not surprising that most of the more responsible places have been filled by men from Japan. Each of the four sections is headed by them. The Districts Courts are also in charge of Japanese jurists. They are also in charge of public prosecution. It is also of significance that six prisons of Kirin and Mukden are entrusted to Japanese officials.

With regard to the matter of public education it is natural that Japan, in view of her bitter experience in the past, should see that it is conducted in ways free from racial antagonism. While the Minister and Vice-minister are both Manchous, the two bureaux of General Affairs and Education Affairs are in charge of Japanese chiefs, only the bureau of Rites and Religions being left under Manchou management.

The Department of Mongolia Administration is featured by somewhat different policy, if the number of Mongol men employed are to be taken as a guide. Different from other departments of administration, a far greater percentage of officers of Mongol extraction are engaged in executive and other branches of work. The total number of men serving at central offices is approximately 415 of which the Japanese comprise slightly more than a quarter. Of those petty officials serving at sub-provincial or banner offices about 50 are Mongols and 30 Japanese.

At the central offices of local government there are about 450 Japanese against 1,500 Manchous and Mongols. Of the staff engaged at sub-offices and Hsien offices the Japanese number about 250 against a total slightly more than 300. In the provinces of Kirin, Lunkiang, Jehol, Pinkiang, Chinchou, Heiho and Sankiang the Hsien (county) and banner offices are under the exclusive direction of Japanese officials who number altogether 300, one or two, and sometimes more petty officials being stationed under the Japanese councillor for each county. So far as local government is concerned the whole matter may be said to be under the direction of these Japanese councillors, a situation quite contrary to that of the pure Mongol areas.

Highest Japanese Official

The Japanese administration is entrusted to a figure vested with the dual powers corresponding to those of the commander-in-chief of the Kwantung Army and those of a diplomatic envoy of ambassadorial rank. The figure is directly responsible to the Emperor in matters of military affairs and to the Foreign Minister and the Prime Minister in matters dealing with diplomatic affairs. As regards other matters, such as the supervision of the South Manchuria Railway, a voice is given to both the military and diplomatic authorities.

The main cause influencing the administrative change is the growing responsibility of Japan in looking after the affairs of Manchoukuo. The sphere of Japanese power in Manchoukuo is delineated in the Japan-Manchoukuo Protocol signed on September 15, 1932. By virtue of the Protocol Japan is given a free hand in the maintenance of the national security of Manchoukuo against any foreign threat to the country. To execute this purpose Japanese forces are thus allowed to be stationed in Manchoukuo.

Japanese jurisdiction in the Kwantung Leased Territory, prior to the founding of Manchoukuo, was under the direction of the Governor of the Kwantung Province and the Commander-in-Chief of the Kwantung Army. The Governor, a civil appointee, exercised administrative and judicial jurisdiction in the Province, control of the police in the Leased Territory and the Railway Zone and supervision of the business of the South Manchuria Railway Company. The sphere of the Commander-in-Chief of the Kwantung Army was over the garrison troops and the railway guards. Consular jurisdiction outside the Leased Territory was entrusted to the Japanese consular authorities.

With the establishment of Manchoukuo the system of Japanese jurisdiction underwent a modification and an embassy was founded at Hsinking and matters with regard to the Kwantung Army and diplomatic affairs were entrusted to an ambassador. The first ambassador to represent Japan at Hsinking was the late Marshal

Nobuyoshi Muto who was appointed to the post in August, 1932. Following his death in July, 1933 he was succeeded by General Takashi Hishikari. In December, 1934 General Jiro Minami was appointed to succeed General Hishikari at the post. In February, 1936 General Minami was succeeded by General Ueda, who, in turn, was succeeded by Lt.-General Yoshijiro Umezu in October, 1939.

Japan's Policy for Economic Development of Manchoukuo

Certain principles were laid by the Japanese administration in developing the economic potentialities of Manchoukuo. The policy as announced by Lieut.-General Kuniaki Koiso in 1933 when he was Chief of Staff of the Kwantung Army is summed up as follows:—

1. Unification and rationalization of the economic systems of Japan and Manchoukuo.
2. Consolidation of the position of Japan and Manchoukuo and protection of the lives of the two peoples in times of war and peace.
3. Utilization of the economic resources of the two countries as a means for improving their economic positions in the world.

The following measures are to be taken in order to realize the purposes mentioned above:—

(1) The interest of the two nations at large should receive paramount consideration before that of any individual.
(2) The economic systems of the two countries should be so arranged as to meet the need in time of war.
(3) Consolidation of Japan's economic position in Manchoukuo before any of the world powers starts economic activities in that country.
(4) The kinds of industries to be started in given places are to be decided on with due consideration of the public interest of the two countries.
(5) The investment of foreign capital in Manchoukuo is to be encouraged in order to show respect for the open door policy and the principle of equal opportunity.

Economic Administration

At the outset of its industrial program the Manchoukuo Government designated the placing of certain basic enterprises under governmental control. The following kinds of enterprise fall into the category:

(1) Business of importance relating to traffic and communication.
(2) Technical industries, mining, and any other kinds of basic industry with close relations with the national defence of the two countries.
(3) Gold mining.
(4) Electric industries.
(5) Leading business pertaining to the banking business.
(6) Industries closely connected with public interest.
(7) Some of the special industries, which it is necessary to place under the economic control policy of the authorities.

These seven kinds of industry are to be placed under the economic control policy of the authorities by placing them under the direct management of government organs or of semi-official ones, or of allowing some of them to be managed by special people furnished with official licenses issued for the purposes in view.

Table of Industries to be Placed Under the Economic Control of the Authorities

1. Industries to be placed under the direct management of government organs, public office or semi-official offices, or to be carried on by virtue of special licenses:—

(1) Special banking business.
(2) Savings banking business.
(3) Central banking business.
(4) The business of issuing lottery tickets, debentures with premium, etc.
(5) Postal service.
(6) Railway service (local and private railways, i.e. railways for private use, are excluded).
(7) Telegraph and telephone service (Radio broadcasting business excluded).
(8) Aviation service.
(9) Horse-racing business.
(10) Slaughtering business.
(11) Live-stock markets.
(12) Afforestation in state forests.
(13) Trade in opium and cocaine, and the manufacturing of these drugs.
(14) Gold mining in the mining districts of the State.
(15) The mining of iron, petroleum, ores of such light metals as are necessary for national defence.
(16) Refining industry of light metals.
(17) Iron and steel manufacturing industries.
(18) Oil shale industry.
(19) Electric industry.
(20) Manufacture of gunpowder.
(21) Manufacturing of other kinds of war necessaries.
(22) Manufacturing of weighing and measuring tools.

2. Kinds of industries to be carried on with official permission.

(1) Ordinary banking business.
(2) Insurance business.
(3) Local railways (All kinds of traffic service by means of track are included).
(4) Railways for private use.
(5) Automobile transportation.
(6) Small transportation business on rivers.
(7) Sea-transportation.
(8) Transportation business on small scale
(9) Fishery to be conducted under Fishery rights given to fishing companies, associations, etc.
(10) Fishery to be conducted by individuals by virtue of their membership of the fishing companies or associations with fishery right.
(11) Afforestation.
(12) Manufacturing of wool and cotton.
(13) Hunting.
(14) Cultivation of opium.
(15) Gold mining outside the state mining districts.
(16) Mining of coal and other useful ores other than mentioned in (15) of the industries itemized in 1.
(17) Oil refining (Petroleum).
(18) Gas supply.
(19) Automobile production.
(20) Ammonium-Sulphate industry.
(21) Alcohol distillery.
(22) Sodium industry.
(23) Tobacco Manufacturing.
(24) Salt manufacturing.

3. Kinds of industries to be started or carried on freely.

(1) Farming and stock raising under private management.
(2) Manufacture of agricutural and livestock products (Woolen and Cotton manufacturing industries are excluded).
(3) Fishery general.
(4) Lumber industry.
(5) Trade in marine products (Salt manufacturing is excluded).
(6) Trade in live-stock products.
(7) Trade in agricultural and forestry products.
(8) Pulp and paper manufacturing.
(9) Sugar Industry.
(10) Flour Industry.
(11) Brewery (Alcohol distillery is excluded).
(12) Provision manufacturing.
(13) Oil and grease manufacturing.
(14) Cement producing (Production control is needed).
(15) Spinning.
(16) Dyeing and weaving.
(17) Production of hides and skins.
(18) Pharmaceutical business at large.
(19) Machinery industry.
(20) Porcelain manufacturing.

CHAPTER VII

JUDICATURE

Under the previous regime of Manchuria legal practices, despite the improvements made in codification and other lines, remained in quite inefficient hands. The administration of the law courts was seldom free from political interference. In view of this fact, the judicial authorities of Manchoukuo have bent their efforts on securing the independence of the judicial administration of the country. In consequence the law courts higher than the local branches have all been placed in positions to function their authority, maintaining their dignity and independence.

One of the earliest reforms made under the present administration was to raise the salaries of the justices and other officials. Under the previous regime the legal authorities were so underpaid that they were perforce compelled to practice corruption, courting in consequence open public contempt. The officials charged with judicial undertakings are chiefly those who were taken from Japanese schools and courts, and it is not unnatural, therefore, that the judicial system of Manchoukuo should in future be modelled after Japanese jurisprudence.

Courts and Jurisdiction

District Court (Tifang Fayuan).—This is a court of the mixed system corresponding in general to the Japanese District Court (Chiho Saibansho) and, in some respects, to the Japanese local Court (Kusaibansho). Tifang Fayuan is composed of Chientieng or the Subordinate Court where trials are held by a single judge in such cases as are handled at the Sub-district Court in Japan, and of the regular court where a bench of three judges sit on cases such as are handled at the District Court in Japan. The civil cases handled are of two kinds (1) "Local Cases" which are cases involving less than 100 yuan and tried in the collegiate section of the District Court; and (2) "First Grade Cases" which are cases involving less than 100 yuan (800 yuan in Jehol) tried by a single justice.

A feature of the latter section of the District Court is that the judge as a rule tries to effect a settlement out of court wherever possible. Only upon his failure so to do is the case formally tried. From his decisions appeals may be made to the collegiate section of the same court which handles them as second instance hearings.

The District Court handles appeals from summary decisions or orders other than those given by single judge trial. The collegiate section may also take up as cases of second instance any decision made on first grade cases by Hsien (county) judicial offices or county magistrates.

The criminal cases handled by the District Court are also divided in two classes; (1) "First Grade Cases" which are provided under Article 8 of the Criminal Trial Law, or the offences liable to punishment with "the maximum imprisonment of less than three years, or to detention or fines. (2) Local Cases other than classified under the above. Thefts, swindles and breach of trust and some others, though punishable by imprisonment of more than three years, are treated as first grade cases.

In criminal procedure as in civil all "First Grade Cases" are tried by single judges, while the "Local Cases" are handled by the collegiate section of the District Court.

There are two exceptional judicial organs with the same ranking as the District Court: (1) the District Court attached to the High Court in Jehol, and (2) the District Court attached to certain Branch High Courts. The former institution, confined to Jehol deals with second instance trials of First Grade Cases. The latter district court deals with first instance trials of both "Local" and "First Grade Cases" within its judicial district, and also with second instance trials of First Grade Cases. The latter district court deals with first instance trials of both "Local" and "First Grade Cases" within its judicial district, and also with second instance trials of both "Local and First Grade Cases" within the district over which extends the jurisdiction of the Branch High Court to which it belongs.

Branch District Court (Tifang Fayuan Fenting.—This branch of the District Court handles second instance trials of "First Grade Cases" and first instance trials of all cases other than those handled by the Supreme Court, High Court, or **Chientiting** of the District Court. In other words, the Branch District Court handles cases of first instance of both "Local and First Grade" classes. The bench is of one judge except in exceptional cases where three judges may be ordered to it.

High Court (Kaoteng Fayuan).—This court corresponds to the Japanese Court of Appeal, though its function covers a wider field. The High Court deals with second instance trials of "Local Cases," third of final trials of "First Grade Case." The Court also handles offences against the internal as well as external security of the state. The bench usually consists of three judges, and sometimes of five for cases of third instance.

In this connection it may be noted that since for civil cases involving less than 100 yuan the second instance is final, the High Court is concerned with no civil suits involving any amount less than the same.

Branch High Court (Kaoteng Fayuan Fenyuan.—The Branch High Court may be regarded as a local division of the above High Court. It is established where the territorial divisions of which the High Court is the judicial centre is too extensive for practical purposes. It is practically the same as the High Court, in constitution, consisting of both civil and criminal sections. The only point of difference is that the Branch High Court, with the exception of the Fengtien court, handles no third instance trial of the so-called first grade cases.

Supreme Court (Tsuikao Fayuan).—This is the highest Court of Appeal, corresponding to the Japanese Court of Cassation. The court deals with trials of third instance of the so-called local cases, and hears appeals from trials of the High Court. It is presided over by a bench of five judges.

Procurator's Office (Chienchating).—In the early days of the Chinese Republican Government the prosecurates were set up side by side with the law courts. These institutions were placed under the supervision of the General Procurator's Office of Nanking. In the 16th year of its regime the Republican Government altered the system, attaching the procurator's offices to the law courts. In Manchoukuo, however, the old system has been adopted. There is the Supreme Procurator's Office (Tsuikao Chienchating) which supervises the work of the High Procurator's Office (Kaoteng Chienchating) and the District Procurator's Office (Tifang Chienchating). The procurators institute investigations and makes indictments, carry on legal suits, supervise the execution of sentences, and oversee the judicial police. In civil cases or cases relating to public interests or morals, they perform duties as suitors or representatives of the public. The Procurator's Office functions independently of the Courts.

Hsien Judicial Office, (Hsien Ssufa Kungshu).—These local judicial offices are set up within Hsien or county administrative offices where there is no law court within the same area. "First Grade and Local Cases" of first instance are tried by judges who assume entire responsicility for legal proceedings. The public prosecution is instituted either by the chief or magistrate of the Hsien or procurators, the former in all cases assuming responsibility. From decision of the office appeals may be made to the collegiate section of the supervising District Court, if the cases is of the first grade class, and to the High Court if it is a "Local Case."

Office of Hsien Magistrate Additionally Handling Jurisdiction. (Chienli Ssufa Hsien Kung shu).—This is a transitory legal system adopted preliminary to the establishment of district courts. These judicial offices are set up at local places where there is no District Court, or Hsien Judicial Office. Trials are made in charge of the county chief or magistrate on "first grade and local cases" of first instance. These offices are assisted by Chengshen or trial officers who are under the supervision of the county chief. The decisions by the office on all criminal cases are always submitted to the High Court or to the Branch High Court no matter if the accused do not make appeal. When retrial is deemed necessary the supervising court may order the Hsien Judicial Office, or appoint judges to review the case.

Trial Office (Cheng Shen Chu).—The local judicial offices of this class are found in Jehol and Kirin provinces. They correspond to the office of Hsien Magistrate Additionally Handling Jurisdiction above mentioned. In the former provinces these offices are in charge of "trial offices" and the prosecution is done by the county magistrate. In the latter province, judges of these offices are sent out to places where, because of lack of transportation facilities or other geographic considerations, the regular judicial courts or office find difficulty in expending this legal authority.

Trial System In Mongolia.—Under the previous regime it was a rule to try cases of first instance by the Jassack or banner chief, cases of second instance by the League Chief, and those of third instance by the Judicial Department. This system was changed in 1932. Under present system all cases for the District Court are dealt with by the banner or Hsien (county) office, and those for the High Court by the Hsien Provincial Office. Cases of third instance are handled by the Supreme Court. At the former offices trials are conducted by the banner chief or magistrate. At the provincial offices trials are in charge of a collegiate court of the administrative councillor and judicial officials, with the chief of the province presiding as chief judges. The prosecution is represented by one of the police inspectors of the Hsingan Police Office.

Table 1. Number of Civil and Criminal Cases Handled

(A) Manchoukuo (as in 1935)

	Accepted During Former Regime	Accepted up to 1935 by New Regime	Total	Decided	Remaining
Civil cases	83,718	111,910	195,628	109,912	85,716
Criminal cases	2,291	77,430	79,721	42,253	2,611

(B) Kwantung

	Civil cases				Criminal cases		
		Settled				Settled	
	Cases accepted	Decided	Rejected	Compromised	Cases accepted	Found guilty	Innocent
1933	2,285	667	328	164	1,632	1,449	9
1934	2,123	608	301	190	1,719	1,533	6
1935	1,761	560	221	213	1,995	1,812	3
1936	1,662	612	310	259	1,850	1,701	6
1937	1,895	687	250	283	1,984	1,798	4

Police System.—In accordance with the organization of the various departments of the State Council of Manchoukuo promulgated on March 9, 1933, the police affairs of the whole country (exclusive of Hsingan Province) were placed under the control of the Minister of Civil Affairs who should supervise Governors of Provinces, Governor of the North Manchuria Special District, the Chief of the Metropolitan Police Board and the Chief of the Harbin Police Board and under the direct charge of the Bureau of Police Affairs. Thus the Bureau of Police Affairs takes charge of Peace Police and Administrative Police Affairs and is divided into six sections, namely, General Affairs Section, Special Service Section, Peace Preservation Section, Judicial Affairs Section, Detectives Section and Inspectors Office.

Metropolitan Police Board and Harbin Police Board.—Police Boards under the direct control of the Department of Civil Affairs are placed in Hsinking, the Capital of Manchoukuo and Harbin. The former, which is known as the Metropolitan Police Board, was opened on October 15, 1932, and has under its control the city of Hsinking and the whole of Changchun and the latter which is known as the Harbin Police Board, was opened on March 3, 1933 and has under its control the entire extent of the special city of Harbin.

Special Police Corps.—Police corps under the direct control of the Department of Civil Affairs are stationed at important points on the frontier and seacoasts in view of the necessity of providing against emergencies, the unlawful entry of foreigners into the country, the smuggling in and out of goods, etc. Besides, mobile police corps have been organized under the direct control of the Department of Civil Affairs in order to guard against bandits.

Provincial Police Affairs Board.—In accordance with the organization of the Provincial Government established on March 9, 1932, the Police Affairs Board was instituted with every Provincial Government by abolishing the Whole Province Police Affairs Board which had been in existence before the establishment of the new state to take charge of affairs relating to police, health, and anti-opium smoking, and also settlement of disputes, etc. The Chief of the Police Affairs Board executes his duties in accordance with orders of the Governor of the Province and directs and superintends the police in the Province.

Police Boards.—Prior to the founding of the new State each Provincial Castle town, city and trading port were provided with a Public Peace Bureau, which were under the direct control of the Whole Province Police Affairs Bureau. After the foundation of the the state these bureaus were placed under the direction of the chiefs of hsiens. In June, 1932 the organization of the Police Board was enacted and promulgated, in accordance with which the Police Boards were instituted in Mukden, Kirin, Tsitsihar, Yingkow, Antung, Chinchou, Yenki, Heiho and Fushun under the direct control of the Governors of the Provinces to take charge of police, fire-fighting, especially health affairs, which may be designated by the Governor. The following are the names of the Police Boards and the districts under their jurisdiction designated by the Department of Civil Affairs:—

Seat of Police Board	Name of Police Board	Districts under Jurisdiction
Mukden	Shenyang Police Board	Mukden City
Kirin	Kirin Police Board	Kirin City
Tsitsihar	Tsitsihar Police Board	Tsitsihar City
Antung	Antung Police Board	Antung City

Hsien Police Organs.—The Public Peace Bureau in each Hsien before the establishment of Manchoukuo was under the direct control of the Whole Province Police Affairs Bureau and was to be under the supervision of the chief of the hsien. In practice, however, the chief of the Public Peace Bureau wielded greater power than the chief of the hsien. This was prolific of various evils in the way of local administration. Therefore, a Police Bureau was instituted with each Hsien Government in accordance with the hsien organization promulgated on July 5, 1932 in order to secure the unity of hsien administration. Simultaneously with this, Public Peace Bureau in each district of the hsien and in trading ports were transferred into police offices under the direction and supervision of the chief of the hsien.

Water Police Bureau.—What had been known as water public peace bureau were renamed Water Police Bureau to take charge of police affairs on the principal rivers of the country. There are the following water police bureaus:—

Table 2. Water Police Bureaus

Fengtien Province	Yalu & Han Rivers Water Police Bureau Liaoho Water Police Bureau
Kirin Province	Sungari Upper Water Police Bureau Sungari Lower Water Police Bureau

Police Affairs Bureau in the North Manchuria Special District.—Formerly, police affairs in the North Manchuria Special District, which was known as the Eastern Province Special District, was under the control of the Eastern Province Special District Police Superintendent Bureau, which had branch offices in important places. With the promulgation of the organization of the North Manchuria Special District on July 1, 1933, the Eastern Province Special District Police Superintendent Bureau was abolished and a Police Affairs Bureau was established in the North Manchuria Special District Office to take charge of the police affairs of the whole district.

There were as at the end of September, 1937 a total of 1,122 police stations and 3,493 branch offices. The total police force was 94,906, consisting of 90,990 Manchoukuo officers and 3,916 Japanese officers. The largest number of police were stationed in the provinces of Fengtien, Pinkiang and Kirin.

The number of police stations and offices is tabulated as follows:—

Table 3. Number of Police Stations and Officers

(A) Manchoukuo (Sept., 1937)

Hsien:	Police Station	Branch Office	Officers		
			Japanese	Manchoukuoan	Total
Kirin	111	341	480	12,196	12,676
Lungkiang	132	342	241	7,275	7,516
Heio	17	45	165	708	873
Sankiang	80	93	285	6,091	6,376
Pinkiang	122	375	385	12,505	12,890
Chientao	33	176	232	2,622	2,854
Antung	49	154	139	4,298	4,437
Fengtien	193	1,135	564	17,180	17,744
Chinchow	94	341	277	6,475	6,752
Jehol	114	291	381	5,357	5,738
Mutankiang	41	45	299	7,286	7,585
Tunghua	57	160	283	5,409	5,692
Hsingan, East	5	—	30	197	227
” West	24	—	37	1,305	1,342
” South	36	—	56	1,845	1,901
” North	14	—	62	241	303
Total	1,122	3,493	3,916	90,990	94,906

(Continued)

(B) Kwantung

	Police Station	Branch Office	Total No. of Officers	Population per officer
1933	8	173	1,304	834.9
1934	8	174	1,293	885.0
1935	8	177	1,321	992.5
1936	8	183	1,216	1,034.3
1937	8	185	1,299	984.3

Consular Jurisdiction

Among all reforms and changes undertaken by far the most important was the abolition of Consular jurisdiction resulting from the withdrawal of Japanese extraterritoriality in 1937. So far as Manchoukuo is concerned, extraterritoriality was part of the treaty obligations she undertook from the former regime. The Department of Justice had since the first year of Tatung been striving for improvement of the judicial system, a condition to abolishment of the consular courts. Some of the more important things accomplished to date are described below.

Participation of Japanese Jurists.—The contempt in which the courts of justice and its administrators were held under the former Chinese rule had kept men of quality or ability away from jurisdiction. Of these legal officials many, especially of South China origin, left the country when the new state of Manchoukuo was established. To meet this situation a number of jurists were engaged from Japan. The law school of the Department of Justice was hurriedly called into being. Wherever Manchu officials are engaged they are placed under the direction of Japanese jurists.

In view of Japan's successful abolition of extraterritoriality in a period of 30 years, Manchoukuo has since its first five years been engaging Japanese jurists of high scholarship and practical experience. In the latter part of 1932, 82,200 yuan was appropriated for this purpose. As an initial undertaking a collegiate section was formed at the Fengtien High Court of two Japanese and as many Manchu judges. In 1933, the sum of 198,329 yuan was appropriated to appoint Japanese officials at the High Court of Kirin and Harbin. The High Procurator's Office of Fengtien, Kirin and Harbin as well as the District courts and Prosecutorates of the last named district were likewise reenforced by judges of Japanese nationality. These experimental arrangements having proved successful, the budget appropriation was substantially increased to 506,262 yuan for 1934 for engagement of more judicial officials from Japan.

In 1934 the Department of Justice appropriated some 30,000 yuan with the object of sending Manchou officials to Japan and to the Kwantung Leased Territory for study of Japanese legal system and institutions.

Table 4. Number of Judicial Courts and High Procurators' Offices
(September 1, 1938)

	Kirin	Mukden	Harbin	Chinchow	Tsitsihar	Total
High Court	1	1	1	1	1	5
" " branch	1	4	2	1	2	10
Local Court	3	12	4	4	6	29
" " branch	4	13	3	2	2	24
District Court	19	29	19	16	14	97
" " branch	4	4	6	3	8	25
High Procurators Office	1	1	1	1	1	5
" " branch	1	4	2	1	2	10
Local Procurators Office	3	12	4	4	6	29
" " branch	4	13	3	2	2	24
District Procurators Office	19	29	19	16	14	97

Note: The Supreme Court is located in Hsinking.

Table 5. Number of Judicial Officers Despatched to Japan for Study

	Judicial Officers				Prison Officers			
	Judges	Procurators	Other Officers	Total	Chief wardens	Other Officers	Total	Grand Total
1934	6	5	..	11	6	1	7	18
1935	8	4	1	13	8	2	10	23
1936	7	5	1	13	9	3	12	25
1937	8	4	1	13	10	1	11	24
1938	9	5	..	14	13	—	13	27

Table 6. Number of Japanese Officers Classified by Judicial Institutes in Manchoukuo
(September 1, 1938)

Rank	Judicial Headquarters	Law Schools	Courts	Procurators' Office	Prisons	Total incl. Others
Chien-nin	3	1	9	7	—	20
Tsien-nin	26	7	75	54	4	166
Wei-nin	51	4	284	120	178	639
Chief Warden	—	—	—	—	55	55
Jail instructors	—	—	—	—	48	48
Employees & Others	62	7	131	66	18	284
Total	142	19	499	247	303	1,212

Table 7. Number of Prison Inmates
(End of Dec.)

			1935	1934	Increase
Convicts	Male		11,170	7,880	3,290
	Female		212	165	47
Accused	Male		9,607	9,070	537
	Female		346	282	64
Detention (Civil cases)	Male		70	25	45
	Female		6	1	5
In separate cells	Male		228	184	44
	Female		6	8	2*
Unconvicted	Decided	Male	150	124	26
		Female	—	—	—
	Undecided	Male	401	312	89
		Female	22	7	15
Infants	Male		14	4	10
	Female		15	3	12
Total	Male		21,640	17,599	4,041
	Female		607	466	141

Note: * Decrease.

Table 8. Crimes and Arrests Classified
(1935)

Crimes	No. of Cases	Arrests	
		Cases	Criminals
Rebellion	5	5	10
Foreign Troubles	2	2	3
Disturbance of Diplomatic Relations	—	—	—
Disgrace of Official Honour	199	191	288
Disgrace of Official duties	117	108	163
Disturbance of Election	3	3	4
Disturbance of Public Peace	306	295	472
Escape	93	81	121
Criminals concealed	149	147	210
Perjury and Calumny	270	272	381
Public Danger	565	473	602
Forgery of coins	156	153	257
Forgery of measure instruments	5	5	7
Forgery of documents and securities	85	85	130
Corruption of Public Morals	222	313	525
Disturbance of Marriage and Home	934	885	1,678
Profanity of Rites, Defilement of Tombs and corps	99	87	176
Obstruction of business	10	10	18
Opium-smoking	2,110	2,071	2,791
Gambling	2,470	2,401	11,164
Murder	951	757	11,217
Battery and assaults	1,474	1,398	2,146
Abortion	11	11	15
Desertion	24	22	37
Disturbance of Freedom	158	160	250
Defamation of Honour and Trust	53	51	68

Crimes	No. of Cases	Arrests	
		Cases	Criminals
Disturbance of Civil Secret	12	11	14
Larceny	8,584	7,165	9,317
Burglary and Pirating	11,635	4,874	8,423
Trespassing	371	351	534
Fraud	1,275	1,256	1,787
Black-mailing	171	159	247
Stolen goods concealed	552	528	808
Damage	31	29	38
Total	33,202	24,359	43,901
Violation of Temporary Insurgents Suppression Law	218	106	187
" Robber and Bandit Suppression Law	10,150	3,963	5,843
" Opium Law	2,401	2,397	3,484
" Others	159	159	184
Total	12,928	6,625	9,698
" Police Regulations	12,425	12,294	20,445
" Fire-arms Controlling Regulations.	1,536	1,536	2,562
" "Pao-Chia" (Civil Guards) Regulations	50	50	442
" Others	582	578	949
Total	14,593	14,458	24,398
GRAND TOTAL	60,723	45,442	77,997

Table 9. Suppression of Publication

		No. of Publications	Cases of Suppression	Copies Suppressed
1934	General	370	41	3,944
	Newspaper	41	3,175	7,307
	Magazine	16	1,175	1,687
1935	General	664	892	21,077
	Newspaper	43	2,270	16,890
	Magazine	27	779	2,686

Complete Transformation of Judicial System

It was announced on May 8th, 1936 that the organization law of Manchoukuo Courts, promulgated on January 4, 1936 would take effect on July 1, 1936. A complete transformation of the Manchoukuo judicial system was brought about by its enforcement, resulting in an increase in the number of Courts and Procurators' offices, a revision of the present trial system, the independence of the judiciary, the establishment of a circuit court system and in the appointment of vice-presidents of Courts and Procurators' Offices.

With the enforcement of the new law, local Courts and local procurators' offices are being newly established. The new law provides in principle for the establishment of a three instance trial system for both civil and criminal suits, with one or two exceptions in criminal cases. That is, lese majeste cases will be adjudicated under the first, and at the same time, final instance, and will fall under the jurisdiction of the Supreme Court. Offences of internal disturbance and cases of espionage will be subjected to two trials, the first trial falling under the jurisdiction of the High Court.

Law School of Department of Justice.—In order to meet the urgent situation as regards judicial administration, the Department of Justice set up its Law School in 1934. The regular course is to be completed in three years, the scholars being examined for entrance in their health and scholarship of higher middle school grade. Scholars are also taken to a certain number by recommendation and otherwise from among the clerks serving at courts.

The secondary course is to be completed in six months. The scholars are enrolled by recommendation of chief judges and otherwise from those who are serving as judges and prosecutors at district and other courts and not older than 40 years of age.

Attached to the school is the goalers' training institute where officials are selected by recommendation from those who are serving as warders or chief goalers and not older than 40 years' of age. The training course is completed in 4 months.

Other Reforms.—Manchoukuo's interest in penology was early shown in the matter of improving the prisons and the detention quarters where unconvicted prisoners are kept. Under the former administration any idea of improving the prison was frowned upon as encouraging crime. Evil practices were especially notorious where the prisons were administered under contract.

Manchoukuo's earliest improvement in this direction was seen in the abolition of the old system of commuting prison terms to payment of fines, a system by which any one could buy his freedom . Improvement of food and regular supply of clothing to the prison inmates were also undertaken. Special funds are also being appropriated each year for training under Japanese direction Manchu jailers who were often in the past men of undesirable character and not above unscrupulous practices. At the end of June, 1934 there were 24 new style prisons and 110 old style prisons.

Developments in 1937

Extra-territorial rights enjoyed by Japan in Manchoukuo were abolished on December 1, 1937. As a result of this important step a number of Manchoukuo laws were revised to comply with the new situation. The principal laws newly promulgated or revised since 1937 were the following:—

Table 10. Principal Laws Promulgated or Revised During 1937–38

Subject:		Date of Promulgation	Date of Enforcement
Criminal Law		January 1	January 1
Code of Criminal Procedure		March 8	June 1
Factory Law		April 15	June 15
Bill Law		May 13	October 15
Check Law		"	"
Civil Law	General Realty Obligations	June 17	December 1
Merchant Law		June 24	"
Company "		"	"
Express "		"	"
Warehouse "		"	"
Marine Mercantile Law		"	"
Punishment of staff in the employ of legal body		"	July 1
Code of Civil Procedure		June 30	December 1
Execution Law		"	"
Registration of Immovable Property		September 30	"
Foreign Legal Body		October 21	"
Registration of Legal Body		November 25	"
Arbitration Law		November 29	"
Commercial Registration Law		"	"
Prison Law		"	"
Limitation of Interests Law		December 1	"
Vessel Registration Law		"	"
Patent Attorney Law		January 13, 1938	January 13, 1938
Factory Mortgage Law		April 8, 1938	April 8, 1938
Mining " "		August 25, 1938	August 25, 1938
Mortgage Trust Law for Company Debentures.		"	"

References:

Table Nos.: 1a & b, 2c, 3b & c, 4d, 5-8a, 9c, 10e.
Key: a—Dept of Justice, Manchoukuo.
b—Kwantung.
c—Dept. of Public Peace, Manchoukuo.
d—List of Manchoukuo Govt. Officials.
e—Gen. Affairs Bd., Manchoukuo.

CHAPTER VIII

DIPLOMACY

In reviewing the diplomatic events of Manchoukuo, special mention must be made of the de jure recognition extended to Manchoukuo by the Empire of Japan on September 15, 1932, by the signing of the Japan-Manchoukuo Protocol which provides for the cooperation of the two nations in the matter of national defence. Relations between the two nations have been most cordial since. This has been especially so following the visit to Manchoukuo in June, 1934, of H. I. H. Prince Chichibu and that of the Emperor of Manchoukuo to Japan in April, 1935. These Imperial visits are significant in the history of the Far East to whose peace and stability they have made a marked contribution.

For the promotion of closer economic intercourse between the two countries, an agreement relating to the establishment of a Japan-Manchoukuo Joint Economic Commission was signed on July 15, 1935, at Hsinking. Taking into consideration the recent progress of the administrative and judicial system of Manchoukuo, the Japanese Government announced its intention on August 9, 1935, to relinquish voluntarily her extra-territorial rights in Manchoukuo, as well as to transfer or adjust the administrative rights in the South Manchuria Railway Zone, which rights the Japanese have enjoyed since the close of the Russo-Japanese War by virtue of the Portsmouth Treaty. An Extra-territoriality Abolition Committee was organized by Manchoukuo in 1934 to arrange matters in preparation for the achievement of this great task. This Committee worked in close cooperation with a similar committee organized by the Japanese Government. Following a series of conferences by representatives of the two Governments, a treaty for the partial abolition of extra-territoriality and the adjustment and transfer of the administrative rights over the South Manchuria Railway Zone, which are to be effected by gradual steps, was concluded between the two Empires on June 10, 1936 at Hsinking. The treaty became effective on July 1, and stipulates, as the first step, that Japanese subjects in Manchoukuo shall be governed by the provisions of the administrative laws and ordinances of Manchoukuo concerning their residence, taxation and industries. The treaty is expected to have a far-reaching effect upon the international position of Manchoukuo.

On June 30, moreover, another treaty was concluded with Japan for the reciprocal protection of industrial property. The treaty, which came into force on July 1, 1936, was the first step taken by Manchoukuo towards the realization of international protection for her industrial rights.

When the Imperial regime was established in Manchoukuo in March, 1934, official messages of felicitation arrived from nine different states of the world, viz., El Salvador, Turkey, Liberia, Lithuania, Santo Domingo, Nepal, Bolivia, U.S. S.R. and the Holy See. The Republic of El Salvador gave de jure recognition to Manchoukuo under date of March 3, 1934, informing the Manchoukuo Government that she would permit immigrants and others from Manchoukuo to enter the country without restriction.

The Holy See, under date of April 18, 1934, notified Manchoukuo of its decision to form a separate mission field in Manchoukuo, independent from that of China, and appointed Bishop A. Gaspais as Acting Apostlic Delegate. This notice, originally to the Manchoukuo Government by Bishop Gaspais, was confirmed on Aug. 2, 1934, by an official communication from His Eminence Pierre Cardinal Fumasoni-Biondi, prefect de la Congregation de la Propagande. At the same time, His Eminence in his communication to the Manchoukuo Foreign Minister stated that the Catholic missions in Manchoukuo would gladly contribute to the moral and intellectual development of the country according to the disposition of the Manchoukuo authorities.

Extraterritoriality

(For Text of Japan-Manchoukuo Agreement Abolishing Extraterritoriality see Chap. XXX).

On November 5, 1937 the long anticipated abolition of extrality rights held by Japan in Manchoukuo was effected with the signing of an agreement between the plenipotentiaries of the two countries at Hsinking. The agreement abolishing extrality and the returning by Japan of the administrative rights in the South Manchuria Railway Zone serves as an indication that the Government of Manchoukuo is now fully competent properly to administer its whole territory and to protect the property and lives of foreign residents. By the terms of the new agreement, all Japanese residents in Manchoukuo will be placed under the laws of that coun-

the military-diplomat, though in reality he is only to get reports from the latter on the diplomatic situation.

This change was foreshadowed in 1933 when General Muto was appointed as Japanese Ambassador in Hsinking at the same time that he assumed command of the Kwantung army. In the past, Japanese diplomacy in Manchuria used to be accused of being "four-headed," orders emanating from the South Manchuria Railway, Consulate, Kwantung Civil Government and Kwantung army.

Another notable feature of the administrative change is seen in the virtual elimination from the Manchurian field of the Ministry of Overseas Affairs under which the Kwantung Civil Government had been operating. The Kwantung Government, reduced to the status of a bureau, is placed under the direction of the military ambassador. The police force previously of the same Kwantung Government has been placed under the commander of the Gendarme force in Manchuria.

Recognition by Germany

Germany formally added her name to the list of countries which have given de jure recognition to Manchoukuo on May 12, 1938 when a treaty of amity was signed in Berlin, inaugurating diplomatic relations between the two States. The historic document was signed by Baron von Weizsaecker, State Secretary for Foreign Affairs, on behalf of the Reich Government, and Mr. Hiyoshi Kato, Manchoukuo's Plenipotentiary in Berlin, at the German Foreign Office.

The Reich-Manchoukuo treaty of amity consists of four articles, as follows:

Article 1. Both countries, on an equal and independent footing, shall exchange Consuls to establish diplomatic and consular relations. The said Consuls shall be accorded equal treatment with the Consuls of other countries on most-favoured treatment terms.

Article 2. Both countries shall acquire the freedom of residence, travel and business for their respective nationals, for whose lives and property the two Governments undertake to provide protection.

Article 3. The two Governments agree to open, quickly after the signing of the present agreement, negotiations for the conclusion of a general treaty of trade and navigation with a view to promoting friendly relations between their countries.

Article 4. The text of the present treaty is prepared in duplicate in the German and Manchou languages. The treaty shall enter into force on the date when ratifications are exchanged between the Reichsfüehrer and the Emperor of Manchoukuo.

Recognition by Italy

It is recalled that the Italian Government, with the view to helping the maintenance of peace in the Far East gave de facto recognition to the Hsinking Government when it re-opened its consulate in Mukden on December 1, 1936. On November 29, 1937 the Italian Government extended its de jure recognition of Manchoukuo.

As its first envoy to Manchoukuo the Italian Government appointed Signor Luigi Cortese as minister, and Mr. Han Shao-ching was appointed as the Manchoukuoan minister to Italy.

In recognizing Manchoukuo, the Italian Government sent a message to Premier Chang which reads: "In opening regular diplomatic relations between our two countries, we send you the cordial greetings of the Fascist State and Nation, and our best wishes for the future of Manchoukuo." Premier Chang's statement reads in part as follows:

"During the brief period of five years that have elapsed since its foundation our nation has rapidly consolidated its national foundations with the liberal assistance of our ally, the Japanese Empire, and has now become a prosperous country nearly perfect as a modern State, extraterritoriality having been abolished and Japan's administrative rights in the S. M. R. Zone having been transferred to this country recently. . . . . While the Nanking Government is precipitating its own destruction by denying the existence of Manchoukuo, clamouring for the restoration of lost territory, cooperating with the Soviet Union and Communists and inviting a military crusade of justice from Japan, it is a matter of congratulation and of benefit to world culture and human welfare tha Manchoukuo has been enabled to strengthen its joint front against Communism with other friendly powers through the recognition of our country by Italy."

Recognition by Poland

As the result of an agreement signed in Tokyo on October 19, 1939 between the Manchoukuo Ambassador, Mr. Yuan Chen-tuo, and the Polish Ambassador, Mr. Thaddee de Romer, providing for the exchange of consuls, Poland extended de facto recognition to Manchoukuo. A communique issued at the Manchoukuo Embassy follows:

"As the result of friendly negotiations in Tokyo between Ambassador Yuan Chen-tuo of

Manchoukuo and Ambassador Thaddee de Romer of Poland, an agreement has been concluded which makes normal the consular relations between Manchoukuo and Poland. The document was made legal by the signatures of the Ambassadors to protocols, which will be exchanged.

The present agreement, the text of which will be published by the two governments at their earliest convenience, not only makes normal the consulates of the two countries, which desire to increase friendly relations, but is especially important because it establishes concrete rules concerning the treatment of nationals in each other's territory and indicates cooperation in economic matters."

Recognition of the Franco Government

The Manchoukuo Government and the Franco regime of Spain went through the procedure of mutual recognition on December 2, 1937, when under the auspices of the Japanese Government, Mr. Yuan Chen-tuo, the Ambassador in Japan, representing Manchoukuo, and Mr. Castillio, representing the Franco regime, exchanged formal notes at the Tokyo Foreign Office.

Recognition by Hungary

Formal recognition of Manchoukuo was extended by Hungary on January 10, 1939. On the same date the Foreign Minister of the Hungarian Government telegraphed to the Prime Minister of Manchoukuo the following statement:

"The Foreign Minister on behalf of the Kingdom of Hungary has the honor to inform Your Excellency that his Government has recognized Manchoukuo. The Foreign Minister earnestly hopes that this fact of recognition will bear happy fruit in the relations between the two countries, and wishes to tender the most respectful regards to Your Excellency."

THE MANCHOUKUO-OUTER MONGOLIA BORDER CLASH

The theater of Soviet-Japanese friction along the border of Manchoukuo, which centered about Changkufeng in 1938, was transferred in 1939 to a broad plain on the delta formed by the confluence of the Harha and Holsten Rivers along the Manchoukuo-Outer Mongolia border line. The sporalic raids by Outer-Mongolia troops, supervised by Soviet units, which first occurred on May 11 took on a serious aspect when the aggressors decided to entrench themselves definitely in Manchoukuo territory with the center of their operations centered at Nomonhan. A series of clashes both on land and in the air took place with severe fighting occuring in late August, resulting in the dislodgement of the Soviet troops from their entrenchments in Manchoukuo territory.

Manchoukuo Statement.—On June 11, 1939 the Director of the General Affairs Board of the Manchoukuo Government issued a statement urging the Outer Mongol Government to reconsider its hostile attitude. Excerpts from the statement are as follow:

"With regard to the past aggressions of the Outer Mongol-Soviet forces of our territory, the Government lodged, on four successive occasions, namely May 15, May 29, June 18 and June, 19, strong protests with the Outer Mongol authorities. In the light of historical fact and the actualities of the past there is no room to doubt that the border line in the Nomonhan district is the Harha River. Thus since the opening weeks of May, our Army has maintained and consolidated both in the air and on land our territorial rights by joining battle with the enemy through motives of self-defense and through adherence to the stipulations of the joint Japan-Manchoukuo Defense Pact, repulsing the invaders beyond the Manchoukuo border through close co-operation between the Japanese and Manchoukuo forces. .....We are willing to meet any overtures on the part of the Outer Mongol authorities regarding these various clashes. But the disputes to date have been caused only by border infringements of our territory by the Outer Mongol forces through the instigation of the Soviet Union.

"As long as the enemy do not cross our boundary which is the Harha River, we ourselves have no reason to attack Outer Mongolia. We urge careful consideration by the Outer Mongolian Government of this point and hope for the speedy restoration of peace to the border areas."

Conclusion of Truce.—The conclusion of a truce between the Japan-Manchoukuo and the Soviet-Outer Mongolia forces was arrived at in Moscow on September 15, 1939 between the Japanese Ambassador and the Soviet Foreign Commissar. It provided that all fighting between the opposing forces should cease at 2 a.m. (Moscow time) September 16th. A meeting of the truce representatives of the Japanese forces and the Soviet and Outer Mongolian forces took place at 6 p.m. September 17 at Noro Height on the Mongolia-Manchoukuo border. The border demarcation conference was scheduled to open at Chita on December 7, 1939.

Japanese Casualties.—Japanese casualties in the Nomonhan incident totalled 18,000, including killed, wounded and sick, according to a statement issued by the spokesman of the Japanese War Office on October 3, 1939. According to the statement bitter fighting is said to have raged for ten days late in August when a large body of combined Soviet and Outer Mongolian forces, armed with superior artillery and mechanized units, launched an offensive against the Japanese and Manchurian troops. The Japanese attacks inflicted severe losses on the opposing forces, especially in planes, tanks and armored cars.

According to an estimate rendered by the Manchoukuo authorities the number of Soviet airplanes brought down by the Manchoukuo and Japanese units totalled 560 up to the end of July, 1939.

Abolition of Extraterritoriality

(For Text of Japan-Manchoukuo Agreement Abolishing Extraterritoriality see 1938 issue, Page 955).

On December 1, 1937 Japan formally relinquished her extraterritorial rights in Manchoukuo and transferred her administrative rights over the S.M.R. Zone to Manchoukuo. As a result of this procedure, the following offices, institutions and establishments had been turned over to the Manchoukuo authorities:

(1) From the Kwantung Bureau: police offices outside of the Kwantung Leased Territory, post offices, branch observatories, branch monopoly offices, opium sanatoriums, public health offices, tax offices, and weights and measures inspector's office.

(2) From the Japanese Embassy: consular police and prisons.

(3) From the Chosen Government General: hospitals and public schools.

(4) From the South Manchuria Railway Company: public schools for Chosenese and Manchurians, Japanese schools, subsidized schools for Manchurians, public libraries outside of the Kwantung Leased Territory, women's hospitals, isolation hospitals, public health offices, roads outside of the Kwantung Leased Territory, embankments and revetments, bridges, parks and playgrounds outside of the Kwantung Leased Territory, etc.

Together with this transfer, a total of nearly 14,000 persons including Japanese and Manchurians, had passed into the employment of Manchoukuo, either directly or indirectly.

Foreign Diplomats and Consular Officials in Manchoukuo

(September 1939)

Japanese Embassy, Hsinking	Lieut.-Gen. Yoshijiro Umezu, Ambassador.
Japanese Consulate General, Harbin	K. Kubota, Consul General.
" " " Hsinking	T. Miura, Consul General (Add.).
Japanese Consulate, Mutankiang	H. Kurimoto, Vice-Consul.
" " Suifenho	S. Shimomura, Consul.
" " Tungan	G. Sumino, Consul.
" " Manchouli	Y. Toyohara, Consul.
" " Hailar	T. Yonaiyama, Consul (Add.).
" " Hunchun	S. Takiyama, Consul.
British Consulate General, Mukden	Oswald White, Consul General.
" " " Harbin	Harry A. Graves, Acting Consul General.
British Consulate, Dairen	L. H. Foulds, Consul.
American Consulate General, Mukden.........	W. R. Langdon, Acting Consul General.
" " " Harbin	G. R. Merrell, Consul.
French Consulate, Harbin	Jules Leurquin.
American Consulate, Dairen	William T. Turner, Consul.
French Consulate, Mukden	Robert Germain, Consul.
" " Dairen	Felix G. Bryner, Hon. Consul.
U.S.S.R. Consulate General, Mukden..........	W. Shinsheff, Consul General.
" " " Harbin	V. V. Kuzunetsoff, Consul General.
U.S.S.R. Consulate, Dairen	Isaev Nicholas Ivan, Acting Consul.
" " Manchouli	
German Legation, Hsinking	Wagner Wilhelm, Minister.
German Consulate, Mukden	G. Kuhlborn, Consul.
" " Harbin	J. Schulze, Consul.
" " Dairen	E. Bischoff, Consul.
Italian Legation, Hsinking	Luigi Cortese, Minister.
Italian Consulate, Harbin	Arturo Maffei, Consul.
" " Dairen	Antonio Luraschi, Acting Hon. Consul.

Polish Consulate, Harbin	J. B. Litewski, Consul.
Portuguese Consulate, Harbin	S. L. Skidelsky, Consul.
Danish Consulate, Harbin	A. Jorgensen, Consul.
Dutch Consulate, Harbin	L. V. der Hoeven, Consul.
” ” Yingkow	P. Farmer, Hon. Consul (Add.).
Norwegian Consulate, Yingkow	P. Farmer, Hon. Consul.
” ” Dairen	E. G. Jones, Hon. Consul.
Finnish Vice-Consulate, Dairen	P. Pansing, Hon. Vice-Consul.
Dutch Consulate, Dairen	W. H. Winning, Hon. Consul.
Swedish Consulate, Dairen	W. H. Winning, Hon. Vice-Consul (Add.).
Lithuanian Consulate, Harbin	A. N. Kovshar, Hon. Consul.
Esthonian Consulate, Harbin	A. Lohmus, Hon. Consul.
” ” Dairen	A. E. Ruthe, Hon. Consul.
Belgian Vice-Consulate, Harbin	A. Houyet, Consul.
” ” Dairen	J. Furusawa, Hon. Consul.
Latvian Consulate, Harbin	P. G. Mezak, Hon. Consul.
Chinese Commercial Representative in Hsinking	Chou Chüo
Apostolic Delegation, Hsinking	A. E. P. Gaspais.

Manchoukuo's Diplomatic and Consular Services

Embassy in Tokyo	Yuan Chen-tuo, Ambassador.
Legation, Germany	Lu I-wen.
” Italy	Hsu Shao-ching.
Consulate General, Hamburg	An Tsi-yun, Consul General.
” ” Warsaw	Boku Shakun-in, Consul General.
Consulate, Blagovestchensk	Tsi Piu, Consul.
” Chita	Chu Shih-wei, Consul.
” Shingishu	Ku Chung-shan, Acting Consul.
” Moji	S. Idemitsu, Hon. Consul.
” Osaka	R. Ezaki, Hon. Consul.
” Niigata	R. Shirase, Hon. Consul.

CHAPTER IX

NATIONAL DEFENCE

The national defense of Manchoukuo is under the joint supervision of the governments of Manchoukuo and Japan. By the Japan-Manchoukuo Protocol signed on September 15, 1932, Japan is given the privilege of stationing troops in any locality in the new Empire.

For geographical reasons the army takes the dominant role in the national defense of the country. The navy is a very insignificant element, and is represented at present by a small fleet of river gunboats.

The efforts of the Department of Defense have been concentrated for the past few years in quelling banditry within the country and in building up a systematic army, composed of Manchoukuo and Japanese officers and soldiers. Much attention has been directed also towards improving the air force.

For the military services rendered by the Japanese army in Manchoukuo the Manchoukuo Government commenced appropriating annually since the fiscal year ending March 31, 1936 a certain percent of its total revenue to the Japanese government. The amounts appropriated are as follows:

The amount shouldered by the Ministeries of War and Navy of Japan for the national defense of Manhoukuo, as given in the state budget under the item "Manchuria Incident Expenses," is as follows:—

Organization.—The administration of national defense has been entrusted since 1937 to the Department of Public Peace which has taken the place of the Department of National Defense. The Department of Public Peace consists of the Secretariate, the Bureau of General Staff, the Bureaeu of Military Affairs and the Bureau of Police Affairs.

Table 1. District Defense Force

(1939)

	Jurisdiction
First Army	Fengtien & Antung Provinces
Second ”	Kirin & Chientao Provinces
Third ”	Lungkiang Peh-an & Heiho Provinces
Fourth ”	Pinkiang Province
Fifth ”	Jehol & Chinchow Provinces
Sixth ”	Mutankiang Province
Seventh ”	Sankiang & Tungan Provinces
Eighth ”	Tunghua Province
First Hsingan Army	Hsingan East & North Province
Second ” ”	Hsingan South & West Province

Table 2. National Defense Appropriations to Japanese Army and Navy

(M¥1,000)

Year Ending March 31:	Total	Cumulative total
1936	9,540	9,540
1937	24,500	34,040
1938	19,500	53,540
1939*	19,500	73,040

* Estimates.

Table 3. Manchuria Incident Expenses of the Army and Navy of Japan

(¥1,000)

	Army	Navy	Total	Cumulative Total
1932	48,485	——	48,485	48,485
1933	185,989	79,030	265,019	313,504
1934	168,059	21,603	189,662	503,166
1935	141,569	11,652	151,506	654,672
1936	168,892	9,937	178,829	833,501
1937	188,511	11,398	199,909	1,033,410
1938	252,058	11,608	263,666	1,297,076
1939*	144,117	——	144,117	1,441,193
1940*	369,123	——	369,123	1,810,316

* Estimates.

NAVY

The navy of Manchoukuo consists chiefly of river gunboats taken over from the old regime and supplemented by a few vessels built after the founding of the new government. The Manchoukuo navy was officially organized in June 1934 on the occasion of the completion of several warships. Because of the shallow waters in which such craft have to cruise in their defense areas, which are mostly along the Sungari river, the ships of the Manchoukuo navy do not exceed but a few hundred tons at the most. The navy at present consists of 15 small and large gunboats. At the time of the founding of Manchoukuo there were only five gunboats, namely, the Lisui, Litsi, Kiangping, Kianching and Kiantung. In 1933, two new gungoats, the Tatung and Limin, and three lesser ones, the Enmin, Huimin and Pumin, were added to the squadron. In 1934 three more gunboats, the Shuntien, Yangmin and Tsimin, and one lesser craft, were constructed. In 1935 two more, the Chinjen and Tingpien, were assigned to the squadron. All of the new vessels are equipped with modern armaments and internal-combustion engines. Further, the squadron is possessed of armoured cars for protection of the rivers when they are frozen over in winter.

Along with the mechanical improvement of the squadron the training of competent crews to man the vessels being no less important, the authorities recruit men every year to operate the ships. They are trained at Harbin for one year before being assigned to the gunboats. Some of the abler men are sent to Japan for further training at the various Japanese naval schools so that they may be qualified to lead the squadron in the future.

Table 4. Gunboats of Manchoukuo

Name	Displacement (tons)	When launched
Tingpien	290	1935
Chinjen	290	1935
Lisui	275	1903
Shuntien	270	1934
Yangmin	270	1934
Kiangping	200	1900
Kiangching	210	1897
Litsi	210	1898
Kiantung	150	1903
Tatung	65	1933
Limin	65	1933
Tsimin	20	1934
Enmin	15	1932
Huimin	15	1932
Pumin	15	1932

BANDIT SUPPRESSION

The betterment in national defense, as compared with the condition obtaining in the former regime, is reflected in the strides taken in the suppression of bandit activity. At the time of the founding of Manchoukuo in March of 1932 the total number of bandits exceeded 100,000. By September of the same year the number had increased to 210,000 due principally to the subversive activities of Chang Hsueh-Liang's remnant troops who were thrown out of employment following the downfall of the young marshal. Since then, however the number of such bandits has been on the decrease as a result of their suppression by Manchoukuo and Japanese forces.

Compared with the condition obtaining in 1932 two factors loom in prominence with regard to the bandit situation. Firstly may be noted the actual reduction of bandits as a whole, and, secondly, the shrinkage in size of bandit groups. In 1932 some bandit groups had an active fighting force of 30,000 men, but at present the average is below 30 bandits per group.

The progress in the reduction in number of bandits since 1932 is given in the following table:

Table 5. Estimated Number of Bandits

(1,000)

	Jan.	Feb.	Mar.	Apr.	May.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1932	62.0	75.3	100.0	115.0	156.0	178.0	183.0	137.0	210.0	135.0	111.0	86.0
1933	84.0	73.2	66.0	63.8	105.0	105.0	94.0	95.0	95.0	62.0	66.0	65.0
1934	35.0	24.0	18.4	23.5	26.5	28.3	28.6	33.0	45.0	40.0	32.0	25.0
1935	21.0	22.0	21.0	27.0	27.0	27.0	28.0	29.0	28.0	21.7	20.0	19.0
1936	13.5	15.0	17.0	20.0	18.9	16.0	16.0	19.0	18.0	13.0	12.0	10.0
1937	11.8	11.5	10.4	12.4	12.9	10.5	10.4	11.3	12.6	10.3	10.1	9.0
1938	...	...	...	...	...	...	...	...	...	...	...	7.3

Table 6. Bandit Activities by Provinces

(1936)

Province	No. of Raids by Bandits	No. of Suppressive Expeditions	No. of Bandits: Killed	Injured	Taken Captive
Kirin	4,982	2,074	1,090	387	118
Lungkiang	573	622	123	97	77
Heiho	99	38	24	11	3
Sankiang	7,422	1,482	2,020	1,269	123
Pinkiang and Mutankiang	10,486	2,722	2,161	1,038	219
Chientao	1,024	392	95	63	36
Pinkiang and Mutankiang	10,486	2,576	2,335	2,212	359
Fengtien	9,123	6,161	1,905	1,948	576
Chinchow	1,990	1,079	453	518	86
Jehol	2,469	1,079	507	445	186
Total	50,652	18,225	10,713	7,988	1,783

Table 7. Results of Bandit Suppression of Japanese and Manchoukuo Forces

(1937)

	Japanese army	Manchoukuo army	Total
Number of suppressive expeditions	....	1,741	....
Casualties of suppression army:			
Killed	289	298	587
Injured	471	528	999
Casualties of bandits:			
Killed	6,351	5,530	11,881
Captured	1,229	787	2,016
Confiscated from bandits:			
Guns	2,875	2,342	5,217
Pistols	1,402	808	2,210
Ammunitions (rounds)	119,166	58,523	177,689
Recapture of hostage	566	656	1,222

Table 8. Size of Bandit Groups & Raids Classified

(1935)

	No. of raids	Size of Bandit Groups: 1-30	31-50	51-100	101-200	201-300	301-500	More than 501
January	2,325	1,743	393	131	25	13	12	8
February	1,617	1,102	300	142	39	16	7	11
March	2,632	1,958	369	188	47	43	19	8
April	2,876	2,188	383	219	46	15	12	13
May	3,835	2,904	510	247	112	33	12	17
June	3,645	2,885	455	205	58	15	12	15
July	4,021	3,207	528	216	37	10	10	13
August	5,134	3,683	444	584	303	67	35	18
September	4,628	3,154	507	563	264	84	44	12
October	3,594	2,230	385	596	254	67	49	13
November	2,466	1,493	282	448	175	54	13	1
December	2,378	1,598	228	325	170	38	15	4
Total	39,151							

Table 9. Number of Bandits Surrendering

(1935)

Province	
Kirin	529
Lungkiang	...
Heiho	...
Pinkiang and Mutankiang	2,192
Sankiang	102
Chientao	366
Antung and Tunghua	1,767
Fengtien	1,376
Chinchow	80
Jehol	301
Total	6,713

Table 10. Suppression of River Bandits (1936)

Number of suppression expeditions:	
Sungari Upper stream of Harbin	1
River Lower stream of Harbin	10
2nd Sungari River	2
Ussuri River	2
Total	15
Number of bandits suppressed	1,134
Destruction by fire of bandit houses	1

Table 11. Railway Damages from Bandits (1935)

	Damages Classified	
Railway Lines	Train Assaults (cases)	Railway Damages (cases)
Harbin-Suifenho Line	4	7
Hsinking-Tumen Line	5	2
Lafa-Harbin Line	1	2
Tumen-Ningpeh Line	1	1
Tahushan-Chengchiatun line	—	2
Weiho Branch of Harbin-Suifenho Line	1	—
Muling Branch of Harbin-Suifenho Line	1	—
Harbin-Manchouli Line	—	1
Mukden-Kirin Line	1	—
Mukden-Shanhaikwan Line	1	—
Hsingshanchen Line	1	—
Total	16	15

Anti-Banditry Policy

The total number of bandits still at large in Manchoukuo in 1939 was about 10,000, which is a considerable decrease from the 200,000 of the post-Manchurian Incident days. Thanks to the continuous punitive activities, the Chientao, Panshih, Chuho, Tungpientao and Ningan regions have been rid of bandits, while the bands that had been pursuing their wild careers in Pinkiang and Mutankiang Provinces have been pushed deep into remote Sankiang Province, which is about the only bandit nest left in Manchuria today. Political and economic policies pursued in parallel with the military operations deserve some credit for the success obtained up until now.

The Manchoukuo Government through the Bureau of Private Rights Preservation, passed a legislation concerning "Regional Protection Implication" for the purpose of obtaining immediate information on bandit movements. Under this law 6 to 10 households form a unit which is held responsible for reporting to the authorities any bandit suspect, persons having deadly weapons in their possession, and anyone creating public nuisance. Should a unit fail to do what it should, its members are reprimanded collectively. At the same time the Bureau of Police Affairs of the Ministry of Public Peace has increased the police forces of all regions no matter how remote in order to expand police surveillance work, while the General Headquarters of Railway Guards has stationed guards along the railway lines. In addition there are the Railway Protective Corps (which were organized in 1935 voluntarily by inhabitants of villages within 5 kilometers on both sides of railways to protect the lines in cooperation with the railway authorities) and the Railway Self-Protective Villages (immigrant settlement villages established by the S.M.R. in 1935 for the dual purpose of affording protection to railways and for the development of industries) which protect villages against bandits in full cooperation with the government forces and organs.

The acceptance of bandits who capitulate and who shown signs of becoming good citizens and farmers, is another important method of destroying banditry. The Cooperative Assistance Society formed in Chientao by influential Chosenese farmers for carrying on the campaign of urging submission has conducted noteworthy activities in this line, and has obtained remarkable results. Since the formation of this organization no less than 2,000 bandits have submitted due chiefly to the efforts of this organization.

The true significance of bringing about submission of bandits lies not in the number of bandits who decide to surrender but in the prevention of their re-enlistment in bandit ranks. To attain this end, a well prepared campaign in line with the policy which seeks to set up effective political and economic areas for the establishment of peace and order, is of vital importance. Besides the anti-bandit societies there is the Hsinking Labor Society which established a training camp in July, 1938 for the training of 285 bandits that submitted in Sankiang Province. After a month's training a hundred of these were sent to the Fushun collieries where they are presently engaged in normal mining work no different from other laborers.

Supervisory Board of Manchu Munitions Supply

The Manchoukuo Government promulgated on April 10, 1939 an ordinance for the establishment of a Munitions Supervision Committee for the purpose of supervising the production of munitions, inspecting war supplies, and conducting investigations on the management of munitions factories. The new measure was approved by the Privy Council on April 10 and sanctioned by the Privy Council on April 18 whereupon it was placed into immediate effect.

The Outer Mongolia-Manchoukuo Border Clashes (see Diplomacy Chapter).

NATIONAL MOBILIZATION LAW

The Manchoukuo Government formally promulgated the National Mobilization Law aimed at placing the Empire on a wartime footing on February 26, 1938. It is basically similar to that of Japan. An unofficial translation of the law proper, namely, Articles 1 to 29 inclusive, is given below:

Article 1. The present law is aimed to control and utilize man-power and material resources in wartime or in an emergency so as to display most effectively the entire power of the country in national defence.

Article 2. By national mobilization commodities and resources as mentioned in the present law are meant the following:

(1) Arms, fighting vessels, aircraft, ammunition and other similar military resources.
(2) Clothing, foodstuffs and animal meat necessary for national mobilization.
(3) Medicines, medical instruments, other sanitary commodities and veterinary articles.
(4) Ships, rolling-stock, horses and other means of conveyance necessary for national mobilization.
(5) Facilities for communication purposes necessary for national mobilization.
(6) Civil engineering building and lighting materials necessary for national mobilization.
(7) Fuel and electricity necessary for national mobilization.
(8) Machines, implements, equipment, raw materials and materials for the production, repairing, preservation and operation of the objects specified in the foregoing items.
(9) Gold or silver bullion or alloys and articles made principally of gold or silver.
(10) Commodities and materials to be specified by Imperial Ordinances other than those enumerated in all the foregoing items.

Article 3. Whenever necessary in wartime or in an emergency, the Government in according with Imperial Ordinances may manage, use or expropriate the whole or part of the objects specified in the following items:

(1) Factories and enterprises producing and repairing the commodities and resources necessary for national mobilization and the auxiliary facilities thereof.
(2) Factories transmutable into such factories and auxiliary facilities thereof as referred to in the preceding item.
(3) Transport facilities, sea, land and air.
(4) Communication facilities.
(5) Medical and sanitary facilities.
(6) Water supply facilities.
(7) Experimental or research institutions.
(8) Lands, houses, godowns, others establishments and auxiliary facilities thereof necessary for the production, repairing and storing of national mobilization commodities and resources or for the the purposes enumerated in the foregoing items.

In case the Government uses or requisitions the objects specified in the preceding article, it may also utilize their employees simultanously.

Article 4. In case the objects expropriated in accordance with the preceding article become unnecessary and are disposed of by the Government within five years of the expropriation thereof, their old owners or the successors thereto shall be given preference in the purchase of the said object.

Article 5. The provisions of the two preceding articles shall be applied to the utilization and expropriation of the objects designated in the following items:

(1) Rights of industrial ownership; (2) Mining rights and mining leases and (3) Rights relating to the use of water.

Article 6. The Government, when necessary in wartime or in an emergency for national mobilization may be empowered by Imperial Ordinance to issue necessary orders and other measures to persons managing the enterprises designated in Item 1 of Article 3 with regard to the discontinuance of part or whole of the said enterprises, the restriction or prohibition of the suspension thereof and the production and repairing of national mobilization commodities and resources.

Article 7. The Government, whenever necessary in wartime or in an emergency for national mobilization may be empowered by Imperial Ordinance to issue necessary orders and measures to persons managing the enterprises designated in Item I of article 3 with regard to the establishment of new production facilities and expansion or improvement of such facilities.

Article 8. The Government, whenever necessary in wartime or in emergency for national mobilization may be empowered by Imperial Ordinance to utilize or expropriate national mobilization commodities and resources.

Article 9. The Government, wheneer necessary in wartime or in emergency for National Mobilization may be empowered by Imperial Ordinance to cause persons engaging in the production, sale, import and supply of national mobilization commodities and resources to keep in stock fixed quantities of the said commodities or of raw materials therefor.

Article 10. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue orders to persons operating important enterprises for the establishment or revision of control agreements among themselves or order said persons to abide by such control agreements.

Article 11. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to order the establishment of associations or corporations in connection with important enterprises or the management thereof or to cause existing corporations, associations and other organizations to control such enterprises.

Associations to be established in accordance with the provision of the foregoing item shall be judicial persons.

Article 12. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to restrict or prohibit construction jobs, enterprises or business.

Article 13. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders or take measures with regard to the utilization, consumption, transfer, possession, custody and removal of national mobilization commodities and resources.

This stipulation shall apply also to the utilization and transfer of lands.

Article 14. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue

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(2) Factories transmutable into such factories and auxiliary facilities thereof as referred to in the preceding item.
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(4) Communication facilities.
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(7) Experimental or research institutions.
(8) Lands, houses, godowns, others establishments and auxiliary facilities thereof necessary for the production, repairing and storing of national mobilization commodities and resources or for the purposes enumerated in the foregoing items.

In case the Government uses or requisitions the objects specified in the preceding article, it may also utilize their employees simultanously.

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Article 14. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders in regard to commodity prices, transport charges, storage insurance premiums, rentals, and other similar charges.

Article 15. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to restrict or prohibit the acquisition or disposal of foreign currencies or of claims and debts indicated in terms of foreign currencies or the acquisition or disposal by foreign residents in the country of Japanese currency or of claims and debts indicated in terms thereof.

Article 16. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to order the importation and exportation of commodities, restrict or prohibit imports and exports or exempt imported or exported goods from Customs duties regardless of the provisions of the laws pertaining to the Customs tariff.

Article 17. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to decrease or discontinue any domestic taxes, and other public levies and dues or to postpone the payment thereof, regardless of the provisions of laws relevant thereto.

Article 18. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue to banking corporations and other financial organizations necessary orders regarding the utilization of funds and money rates or restrict and prohibit the establishment of corporations, payments on unpaid shares, capital increases, the flotation of debentures the borrowing of funds, and the payment of corporation dividends.

Article 19. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders in regard to the possession of public bond or increase in corporation reserve funds and restrict and prohibit bank deposit withdrawals and transactions in negotiable securities.

Article 20. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance and regardless of other laws and regulations to order the flotation of corporation debentures and the expropriation and use of lands.

Article 21. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to press into service the subjects of the Empire to engage in jobs to be specified by the Government.

Article 22. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders in regard to the use, employment and dismissal of labourers, their wages and other relevant terms of employment.

Article 23. The Government, whenever necessary in wartime or in the emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders to those persons managing or taking charge of schools, other similar institutions, workshops, etc., regarding the training of experts.

Article 24. The Government, whenever necessary in wartime or in an emergency for national mobilization, may be empowered by Imperial Ordinance to issue necessary orders to facilities and enterprises supplying labour.

Article 25. The Government may be empowered by Imperial Ordinance to issue necessary orders in regard to the registration of experts, labourers and others needed for national mobilization to the employers thereof.

Article 26. The Government may be empowered by Imperial Ordinance to order those persons who own enterprises producing or repairing national mobilization commodities or who are in charge of experimental or research organs to conduct experiments or investigations necessary for national mobilization.

Article 27. The Government may be empowered by Imperial Ordinance to cause those persons owning enterprises necessary for national mobilization to map out necessary plans to be enforced in wartime or in an emergency in regard to the said enterprises or to carry out necessary drills based upon the said plans.

Article 28. Losses resulting from the expropriation, use and supervision of objects effected in accordance with the provisions of the present law shall, in conformity with Imperial Ordinance, be compensated by either the Government of by the owners of the enterprises affected.

Article 29. Acts of requisition in accordance with the Military Requisition Law will not be obstructed by the expropriation, use and supervision of objects and other measures taken in conformity with the provisions of the present law.

National Defence Act

The National Defence Act, as distinguished from the National Mobilization Law, was promulgated on March 10, 1938 and is enforceable at any time on and after April 1, 1938. The Act, which was approved by the Privy Council on March 8, 1938 is comprised of 30 articles in all and is aimed "to preserve peace and order in wartime or an incident, prevent and minimize damages arising from enemy attacks and especially aerial raids and to prevent any obstacles to military operations."

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CHAPTER X

EDUCATION

General

The number of people with a record of primary schooling in Manchoukuo still bears a meager proportion to the entire population. This is due to the limited number of primary schools and intermittent civil wars that beset Manchuria until the establishment of the new Empire of Manchoukuo in 1932. It is also to be ascribed to the fact that the vast majority of the Chinese who have migrated to Manchuria during the past three decades represent the laboring class having little or no schooling, and that education is not compulsory.

Education in Manchuria is mainly sponsored and financed by the Government of Manchoukuo, the Kwantung Bureau and the S. M. R. A certain number of schools are conducted by private individuals, or groups, Japanese consular service, by foreign missionary societies.

The schools cater to Manchoukuo, Japanese, Russian and Korean students ranging from kindergartens to universities. Although the most costly and elaborate educational organs in the country are owned and conducted by the Kwantung Bureau and the S.M.R., the Manchoukuo Government schools enroll by far the largest number of pupils distributed over all provinces of the Empire. About 1,100,000 students were registered in the primary schools of Manchoukuo and Kwantung in 1938. But this figure represents about 23 per cent. of the Manchu youngsters of school age.

Table 1. Statistics of Educational Institutions
(January, 1938)

(A) Manchoukuo

	No. of Schools	No. of Classes	No. of Teachers			No. of Students		
			Male	Female	Total	Male	Female	Total
Ordinary National Schools:								
Primary	6,364	21,843	19,036	3,903	22,939	781,723	257,728	1,039,451
Higher Primary ..	1,697	3,627	4,297	398	4,695	121,540	26,845	148,358
Others	4,002	4,203	4,221	56	4,277	159,740	24,878	184,618
Private	3,745	....	3,853	55	3,908	91,085	11,172	102,257
Higher National Schools:								
Agricultural	58	230	559	2	2,561	11,717	....	11,717
Engineering	15	74	151	3	154	3,268	....	3,268
Commercial	26	165	371	1	373	7,774	....	7,774
Marine	1	7	15	....	15	223	....	223
Middle	5	162	329	....	329	8,212	....	8,212
Girls' Higher	31	185	300	141	442	2,925	5,372	8,297
Technical	79	198	431	50	481	....	8,149	8,149
Normal School	15	90	210	2	212	3,269	631	3,901
Other Higher Schools	8	....	294	16	310	1,646	141	1,787
Other Institutes ...	18	....	102	2	104	1,957	115	2,072

(B) Kwantung (End of 1937)

	No. of Schools	No. of Teachers			No. of Students		
		Male	Female	Total	Male	Female	Total
Primary School	28	420	141	631	11,514	10,328	21,831
Youths' School	9	176	—	176	1,641	....	1,641
Middle School	4	146	—	146	3,929	....	3,929
Engineering School	1	31	—	31	359	....	359
Girls' Higher School	7	—	..	187	—	4,914	4,914
Engineering College	1	101	..	101	439	....	438
Higher Commercial School	1	15	..	15	169	....	169
Higher Engineering School	1	39	..	39	282	....	282

Both Catholic and Protestant missions have established various schools in the country during the past half century. They claim to have nearly 4,500 students. These missionary institutes range from kindergartens to a college. Some of them are registered with the Manchoukuo Ministry of Education and conform to the Government's educational regulations. They have contributed materially to the educational advancement of the Manchoukuoans.

As for the distribution of educational facilities in Manchuria, they have been best in South Manchuria, especially in the Kwantung Leased Territory and the former South Manchuria Railway Zone. North Manchuria has lagged far behind South Manchuria in the matter owing to the paucity of population and the inadequacy of administrative supervision. The only exception is the city of Harbin, where are to be found several well-equipped educational institutions.

Since the financial year of 1933-34, the Government of Manchoukuo has appropriated a comparatively large sum of money for educational purposes, especially primary education. Quite a number of primary schools have been established and many more are being projected.

Organization of Educational Administration

The educational affairs of Manchoukuo are under the direction of the Department of People's Welfare, into which has been merged the former Department of Education. The authorities at the outset introduced the Principle of Wangtao, or the Way of the Benevolent Ruler which has its origin in Confucian teachings. Efforts have been made to accord better treatment to teachers, elevate the standard of the personnel, improve school equipment, reform secondary schools along modern lines, found new schools, encourage school attendance, establish institutions for training teachers, and compile and distribute new text-books, free of charge.

Education of Women.—In the education of women the fair sex will be taught to become first and foremost good wives and good mothers by giving them practical training while fostering in them the virtues for which Oriental women are noted.

The relation between the school and society will be made more intimate, so that the former may serve as the centre of social education.

One of the outstanding features of the new educational system is the inclusion of Japanese among the national languages to be taught in all institutions

Under the new system school education is divided into three stages, primary school education, secondary school education, and higher school education, and into two categories, normal school and vocational education. The schools giving primary school education consist of "Kuomin Ishu" and "national private primary schools," which are formed by reorganizing the best of the private schools, and of "national primary schools," and "national higher primary schools." The secondary schools are classified into "national higher schools" for boys and "girls' national higher schools."

The normal schools are of two kinds, ordinary normal schools and higher normal schools.

Schooling is to begin at seven years of age, but this rule cannot be enforced in every case as there is not compulsory education as yet.

The Kuomin Ishu and the private primary schools are to give abbreviated courses of one to three years in primary school education to those children who are unable to attend ordinary primary school of four years term. The higher primary school is to offer a two-year course, and may in addition, open a one or two-year supplementary course.

The higher school's term for both boys and girls is to extend for four years, but in the case of the latter a special one-year normal course may be offered. The terms for the normal school and the higher normal school are two years and two or three years, respectively. A special two-year course may be given in an ordinary school, while in the case of the higher normal school the term may, if necessary, be shortened by one year or less with the permission of the Minister of Education. The professional school's term is to be two to three years, but it may be reduced by one year or less if needed.

Primary Schools

(Ordinary National Schools)

Primary schools are divided into lower primary schools and higher primary schools. The course of study in the former is four years and that in the latter two years. There are also schools combining these two courses, which are known as two course primary schools. Those in city districts are generally of a six-year course and those in the country of a four-year course. Vocational instruction is given in the fifth and sixth year grades in order to acquaint the pupils with business routine. The Japanese language is also taught in the higher grades. School age has been fixed at full six years since the old Manchu regime. It is not generally observed, however. Most children seem to be sent to school at the age of ten years or so. The prefectures, municipalities, wards and villages are charged with establishment of primary schools. Excepting those represented by prefectures and municipalities, there are very few well equipped institutions.

Table 2. National Schools Classified by Provinces

(January, 1938)

Ordinary National Schools

Province	No. of Schools			No. of Students		
	Primary	Higher	Other	Primary	Higher	Other
Hsinking	35	17	..	10,349	2,082	....
Kirin	660	188	525	91,138	16,014	26,242
Lungkiang	640	101	303	68,187	8,685	13,071
Heiho	15	2	71	2,141	209	3,224
Sankiang	237	60	..	31,402	3,226	....
Mutankiang	115	38	56	21,921	3,466	2,665
Pinkiang	661	137	633	92,461	14,774	30,308
Chientao	158	90	42	26,771	9,352	2,667
Tunghua	181	66	107	27,918	3,965	5,400
Antung	683	120	285	70,727	9,235	13,091
Fengtien	1,659	573	250	415,294	54,533	9,786
Chinchow	640	158	754	121,917	12,529	36,536
Jehol	369	86	887	31,583	6,142	37,716
Hsingan W.	73	12	2	5,692	888	128
Hsingan S.	129	29	78	15,167	2,355	3,540
Hsingan E.	69	9	..	3,881	482	....
Hsingan N.	40	11	9	2,902	448	244
Total	6,364	1,697	4,002	1,039,451	148,358	184,618

Higher National School

Middle Schools.—Middle schools, or secondary schools are also divided into lower middle schools and higher middle schools, each with a three year course. The former admit graduates of the higher primary schools and the latter those of the lower primary schools.

Most of the higher middle schools attach importance to practical lessons related to agriculture, industry, and commerce. Model middle schools are established in the seven cities of Antung, Jehol, Chinchou, Kirin, Harbin, Hsinking and chiamussu, where attention is given chiefly to not so much form as substance and also to the teaching of the Japanese language.

Table 3. Higher National Schools

	No. of Schools					No. of Students				
	Agricultural	Engineering	Commercial	Marine	Girls' Higher	Agricultural	Engineering	Commercial	Marine	Girls' Higher
Hsinking	..	1	2	..	2	..	282	887	..	482
Kirin	4	1	3	..	1	637	188	879	..	508
Lungkiang	4	1	2	..	3	1,039	188	419	..	711
Heiho	..	..	..	..	..	..	..	..	..	..
Sankiang	3	..	..	..	1	595	..	..	..	47
Mutankiang	1	..	..	..	1	152	..	..	..	127
Pinkiang	6	2	2	..	1	1,519	250	1,036	..	800
Chientao	3	1	1	..	3	832	1,018	425	..	504
Tunghua	1	1	..	..	..	121	220	..	..	..
Antung	5	1	1	..	2	1,329	100	342	..	498
Fengtien	18	5	11	1	15	2,516	756	2,709	223	4,208
Chinchow	7	2	2	..	1	2,079	266	684	..	387
Jehol	3	..	1	..	1	430	..	330	..	125
Hsingan W.	1	..	..	..	..	37	..	..	..	..
Hsingan S.	1	..	..	..	..	328	..	..	..	..
Hsingan E.	1	..	..	..	..	103	..	..	..	..
Hsingan N.	..	..	1	..	..	..	..	63	..	..
Total	58	15	26	1	31	11,717	3,268	7,774	223	8,297

Table 4. Normal Schools Classified By Provinces

(January, 1938)

Province:	No. of Schools	No. of Classes	Teachers		Total	No. of Students
			Male	Female		
Kirin	1	4	23	..	23	184
Lungkiang	1	7	13	..	13	312
Sankiang	1	4	8	..	8	142
Mutankiang	1	5	12	..	12	249
Pinkiang	1	9	18	..	18	391
Chientao	1	7	11	..	11	242
Tunghua	1	3	5	..	5	165
Antung	1	5	8	..	8	218
Fengtien	4	30	67	2	69	1,364
Chinchow	1	8	21	..	21	322
Jehol	1	6	17	..	17	256
Hsingan E.	1	2	7	..	7	56
Total	15	90	210	2	212	3,901

Normal Schools.—Normal schools (for boys and girls) are of three kinds, namely, the normal school, the normal training school and the normal middle school. The schools of the first named grade are run by the provincial and prefectural governments and receive those who have finished the lower middle schools. The institutions of the latter two grades, which are commonly known as village normal schools, are in most cases, incorporated with the middle schools.

5. Higher Schools

(January, 1938)

Name	Management	School years	Teachers			Students		
			Male	Female	Total	Male	Female	Total
Higher Normal School	Government	4	57	2	59	326	..	326
Fengtien Agri. Univ.	”	3	31	1	32	190	..	190
Harbin Engi. College	”	4	51	3	54	309	4	313
Hsinking Medical College	”	4	17	..	17	285	..	285
Harbin Medical College	Private	4	38	..	38	187	55	242
Mukden Medical School	”	4	31	6	37	111	26	137

Higher Institutions of Learning.—In the Manchu days there were two universities in Mukden, one each in Chinchou and Kirin and two in Harbin, which were under Soviet influence. After the Manchurian Incident, however, these institutions had to be closed due to the disturbances. The Department of Education of the Manchoukuo Government established two higher institutions of learning, namely, the Higher Normal School in Kirin (opened 1934) and the Higher Agricultural School in Mukden (opened 1936). The course of study in the former is four years and that in the latter three years.

Besides the abovementioned two schools, there are several government institutions of the collegiate grade. These are the Kirin State Medical School (four year course), the Harbin Law School (four year course), the Hsinking Law School (A Course: three years. B Course: two and half years), the Mukden Veterinary Surgeons' Training Institute (three year course), the Agricultural and Forestry Experts Training Institute (one year and a half course).

Daido Gakuin.—The Daido Gakuin, under the supervision of the General Affairs Board of the State Council, aims at educating and training the government officials and would-be government officials. The organization of this institution was announced by Ordinance No. 60 of the Education Ministry promulgated on July 11, 1932. The Daido Gakuin has its origin in the Provincial Autonomy Guiding Department established in Mukden shortly after the outbreak of the Manchurian Incident with Yuchan-han as its leader for training instructors to be sent to different provinces for instructing the local officials in self-government. This organ was established in March, 1932, with the founding of Manchoukuo, and its business was handed over to the Political Bureau of the State Council with new headquarters in Hsinking. With the abolition of the Political Bureau on June 20, 1932, this training institute was also broken up. In view of the urgent necessity of training and educating government officials and training future government officials who would directly participate in the operation of national politics, however, the government established the present institute and admitted 97 students as the first class. They were graduated on the 10th of October of the same year after four months' training, and immediately stationed in different provincial governments, including 54 in Fengtien Province, 11 in Kirin Province, 11 in Heilungkiang Province and 21 in the Central Government.

The education policy of the Daido Gakuin consists in cultivating the fundamental spirit of sacrificing personal interests in provincial administration and in reforming past evils in the provincial administrative system for the exclusive purpose of establishing an ideal state in Manchoukuo. The subjects include courses in State administration, military training, the Manchoukuo and Japanese languages, Manchoukuo national affairs, foreign affairs, etc. In view of the fact that the school term is six months, it is apparently too short to thoroughly acquaint students with State administration and national policy, so that the greatest possible efforts are made by the Government in the selection of authoritative professors and lecturers on selected subjects.

The National University (Kenkoku Daigaku).—Like the Tatung Academy the National University is also an unique educational establishment. It was founded in Hsinking in May 1938, with the object of propagating the spirit in which the new State was founded, and of educating men who will become builders of a moral society and leaders in the work of national enlightenment. It is under the direct supervision of the Premier. All educational expenses of the students admitted to this institution are borne by the State.

The National University offers a six year course, divided into two courses of three years each. Those who has completed secondary education are admitted to the basic course upon passing entrance examinations. Those finishing this course and graduates of colleges and universities are admitted into the advanced course after rigorous selection. Higher ordinary education is chiefly given in the basic course, with emphasis placed upon the study of the spirit of national foundation and actual training for developing the spirit of service, which is also given in the advanced course. The subjects taught in the advanced course are political science, economics, logic and philosophy. All the students are housed in dormitories in order to inculcate discipline and the spirit of self-government. The National University was opened with an enrollment of 150 in the basic course.

The National University, according to plans, will have separately a graduate school and a research institute. The former will admit those graduating from the advanced course or those of similar scholastic standing, who will further specialize in their selected fields. The faculty will form the organization of the research institute which will serve as an agency for research in various studies.

Youths' Schools.—In Kwantung Province are to be found a number of institutions known as Youths' Schools, these being training schools in nature for young men and women. In 1937 such schools numbered 9 with a total enrolment of 1,641 students.

Teachers' Institutions.—The Central Government established the Teachers' Training Institute in Hsinking in April, 1933. To this institute, one hundred selected teachers of primary and middle schools all over Manchoukuo are summoned by turns and trained in the problem of the national spirit, international affairs, international relations, economics and other essential elements in teaching. The term, which was fixed at three months, was extended to six months in 1936. Those teachers who have received training in this institute number more than 1,000.

Qualification of Primary Teachers.—As at the end of July, 1936 there were 23,991 teachers qualified to instruct at primary schools.

Private Schools

Since the founding of Manchoukuo, many private schools have been newly established in rapid succession. The majority of such private schools are Japanese language schools, indicating the growing relationship between Japan and Manchoukuo. It should be noted that most of the private schools newly established in different provinces aim at teaching the Japanese language.

Permission for the establishment of private elementary schools is given by Directors of the Bureau of Education in the respective prefectures with the approval of the Directors of the Education Department of the different provincial governments. In the North Manchuria Special District, the Governor of the Special District is authorized to give such permission through the Bureau of Education, while in the Hsinking Special Municipality, the Mayor of Hsinking has a similar authority.

Establishment of private middle schools requires the permission of the Department of Civil

Affairs of the Central Government, application for such permission being filed through the provincial bureaux of education in the respective provinces and through the Mayor in the Hsinking Special Zone.

Applications for permission for the establishment of private schools of higher standing are filed with the Department of Civil Affairs with the approval of the provincial governors in the respective provinces, the governors in the North Manchuria Special District, and the Mayor of the Hsinking Special municipality.

Text Books

The state text books are compiled in accordance with the following principles:—

(1) To clarify the import of the foundation of the country by thoroughly bringing home to the people the tenor of various Imperial edicts and declarations in regard to the founding of the country.
(2) To cause the people fully to realize the Japanese Empire and so clearly understand the indivisible relationship of Japan and Manchoukuo.
(3) To receive the teachings of ancient sages and so promote Oriental morality.
(4) To try to promote scientific knowledge.
(5) To promote industrial education.

As for the progress of the compilation of the state text books, 36 books representing 19 different subjects were published in 1934 and 38 books on 21 subjects in 1935, making a total of 74 books of 40 kinds. The text books for the use of the lower and higher primary schools have been on the whole completed. Those for the use of the lower middle schools are also mostly completed. Besides the state text books, there are text books compiled by the Imperial Education Society and adopted on examination by the Department of Education. They are for the use of the higher middle schools and the normal schools, representing 23 kinds and 29 series.

Instruction Materials

Instruction materials may be divided into two groups, the pure instruction materials upon which teaching is based, and the instruction specimen to be used to supplement instruction materials.

Instruction materials are definitely provided for by a state ordinance. Text books form the most important item of those materials.

Real objects, models, maps, reference books, experimental apparatus, musical instruments, agricultural training grounds, training workshops, etc. are the principal instruction specimens. The working of those specimens is still dull and incomplete in primary schools as well as in middle schools, with the exception of the City of Mukden where some high-class middle schools are more or less perfectly equipped with modern instruction specimens.

Such incompleteness in instruction specimens, although partly attributable to lack of funds, is mostly due to the old Chinese method of instruction in which the instructors lecture from the platform and students are not allowed to ask questions.

Diffusion of Japanese Language

Since the founding of Manchoukuo zeal for the study of the Japanese language has become specially conspicuous. In the Province of Mukden, the primary school curriculum was partly revised by the Provincial Education Department in order to give two hours a week for instruction in the Japanese language in higher grades. In Tsitsihar, in the province of Lungkiang, a Japanese language school was established for training instructors in Japanese. Four hours a week are set aside for Japanese lessons in the "Gakyo" Middle School. There are also a number of Japanese language schools, training institutes and studying classes in Fengtien, Lungkiang, Kirin and other Provinces. Because of the difficulty in securing a large number of instructors, however, the Japanese educational organs are mostly confirmed to city zones.

Government Students Sent Abroad

The Manchoukuo Government, besides making great efforts for the diffusion of school education within the Empire, sends government students to leading countries of the world in pursuit of progressive knowledge. All the business relating to the government students sent abroad was formerly entrusted to the respective provincial governments, but recently it has been taken over by the Central Government. Candidates for such government students are subjected to strict tests and examinations regarding their scholastic attainments, their thoughts and their physical condition, before being given qualification certificates and permission to study abroad. There is also a subsidy system for students desirous of studying abroad, by which those who cannot afford to pay their way through foreign schools are subsidized by government expenses. In view of the steady increase in the number of Manchurian students desirous of studying in Japan due to the closer relationship of Japan and Manchoukuo, the Manchoukuo Government is planning to devote greater efforts to this cause.

Table 6. Manchoukuo Research Students Studying in Japan

(University Grade)

	1935	1936	1937
Kyoto Imperial Univ.	20	29	39
Tohoku Imperial Univ.	1	1	—
Kyushu Imperial Univ.	3	5	5
Hokkaido Imperial Univ. ...	10	31	15
Osaka Imperial Univ.	—	1	1
Tokyo Univ. of Com.	13	12	15
Kobe Univ. of Com.	5	5	5
Chiba Medical Univ.	1	—	—
Nagasaki Medical Univ.	1	1	—
Tokyo Engineering Univ. ...	40	40	38
Tokyo Univ. of Litt. & Sci..	2	2	1
Hiroshima Univ. of Litt. & Sci.	2	1	1
Total	98	128	120

Manchu Students' House in Tokyo

A building to accommodate Manchurian students studying in Tokyo was completed in April, 1938 at a cost of approximately ¥1,000,000. It is a four-storied, ferro-concrete structure with accommodations for 150 students.

Special Educational Organs

A number of special organs of education have been established in Manchuria. These include educational and scientific institutions, religious and enlightment organs, physical educational institutions, etc. Data on these bodies is as follows:

Table 7. Other Educational Organs

	Location	Schools year	No. of Teachers	No. of Students		
				Male	Female	Tota
Central Normal Training Institute...	Hsinking	7-8 months	9	233	..	233
Local Normal Training Institute	Each Prov.	6 "	24	1,150	50	1,200
Technical Training Institute	Hsinking	2 years	22	148	..	148
Engineering Training Institute	Penhsihu	3 "	8	145	..	145
Agricultural Instructors' Training Inst.	Mukden	1 "	8	78	..	78
Commercial Instructors' Training Inst.	Mukden	" "	3	28	..	28
Mukden Pharmacists' Training Inst..	Mukden	3 years	20	100	65	165
Supplementary School*	Hsinking	1 year	10	75	..	75

Note: * Special school for the training of those who are going abroad for further study.

Educational Expenditures

Educational expenditures for schools, libraries, etc. in Manchoukuo are as follows:

Table 8. Expenditures of the Peoples' Welfare Department

(Unit: M¥1,000)

	1938	1939
Ordinary Account:		
Headquarters	7,671	1,125
Hsinking Law Univ.	——	206
Harbin Engrg. Coll.	234	375
Mukden Agricultural Coll..	256	270
Hsinking Medical Coll. ...	83	151
Kirin Higher Normal Sch..	368	462
Hsinking Engineering Coll.	——	447
Mukden Engineering Coll..	——	216
Penhsihu Engineering Inst.	——	63
Supplementary School	36	41
Central Nor. Training Sch.	152	157
Local Normal Training Sch.	195	297
Hsingan School	63	83
Middle Schools	3,436	3,848
Students sent abroad.....	324	329
Central Museum	——	137
Social Education	39	29
Epidemic Prevention	293	347
Lepratorium	32	44
Sanitation	482	592
Total incl. Others........	14,941	10,352
Extraordinary Account:		
Compilation of Text Books	145	168
Temporary Instructors' Training	61	168
Teachers' Training Inst...,	21	17
Military Relief	234	381
Physical & Sanitary Training	66	65
Research	92	118
Subsidiary	6,000	7,025
Total incl. Others.....	7,270	8,873
Grand Total	14,941	19,226

Libraries

Though there are some thirty well-equipped libraries in the former South Manchuria Railway Zone managed by the S. M. R. Company, only 68 libraries are found in the whole of Manchoukuo, many of which are small and poorly equipped and attached to institutions for popular education. There are only three well-equipped libraries, namely, the State Library in Mukden, with 156,000 volumes, and the Kirin and Lungkiang Provincial Libraries with 5,000 volumes each. Besides these, there are reading libraries in various places, where a few books and several newspapers are kept. For the benefit of the inhabitants in the remote districts of Manchuria, the South Manchuria Railway Company maintains abort 500 circulating libraries, with some 42,000 volumes.

One of the prized possessions of the State Library in Mukden is the "Ssu Ku Chuan Shu," a complete collection of Chinese literature up to the Ching dynasty comprising 36,452 volumes (all in manuscript), which a handful of Japanese troops guarded at the time of the Manchurian Incident. The above collection, it may be added, was compiled by Emperor Chien Lung of the Ching dynasty. Besides this valuble collection, several million copies of old archives (dating from the 17th century) collected from throughout Manchuria are preserved in the Mukden State Library. The early archives have been properly arranged and those containing interesting data have been catalogued and published. Other historical documents are preserved in the Ching Dynasty's Imperial Palace in Mukden. A total of 4,475 authentic political records and documents of the successive Emperors of the Ching dynasty are kept there. They are highly treasured, for they give in the fullest detail the history of the whole of China from the beginning of the seventeenth century up to the early part of the twentieth century (1911).

Museums

Manchoukuo has two museums, the National Museum in Mukden and the Museum of Natural History and Science in Harbin. Opened in June, 1933, the National Museum contains many works of Manchu civilization in the various stages of its history. The Harbin Museum of Natural History and Science was established in the early years of this century under the supervision of the former Chinese Eastern Railway Company. Here, among its numerous exhibits, are found fine collections concerning the Mongols, Imperial Russia and old North Manchuria. The Manchoukuo authorities have also taken steps to preserve historic buildings and relics throughout the country. The Lama temples and other architectural objects, etc. in Jehol, are receiving the special attention of the Government which has decided to spend M¥23,000 for preliminary investigation necessary for their permanent preservation.

The Resources Museum.—The South Manchuria Railway Company maintains in Dairen the Manchurian Resources Museum, perhaps the most complete of its kind in Manchuria as well as in the world. The main purpose of the Museum is to lead the general public into fuller understanding and appreciation of the natural resources of Manchuria and Mongolia. On exhibition within its walls are, therefore, specimens and fascimiles of both raw materials and finished articles, as well as informational materials on agricultural, mining, forestry, and several other products, with appropriate explanations and abundant photographs and charts. Especially instructive is the wealth of maps, charts, diagrams, and electrically operated illustrative materials, all of which are skilfully compiled and vividly presented. The exhibits also include the results of various scientific researches which aim at the utilization and exploitation of these natural resources and which are bound to become the foundations of future industries.

Revival of Confucian Festival.—In accordance with the guiding spirit of the foundation of the country the Confucian festival, which had been discontinued since the Revolution of China, has been revived. Ever since the opening of Manchoukuo grand festivals have been held at all the temples of Confucius throughout the whole country twice a year, or in the spring and autumn for the purpose of fully demonstrating the principles of Oriental morality and contributing to the cultivation of national spirit.

Manchoukuo Empire Educational Society

The Manchoukuo Empire Educational Society was established in June, 1934. The total membership is over 26,000 consisting of school teachers and others who are connected with education. It has its headquarters in the Department of Education, branches in the special cities of each Province and sub-branches in the hsiens and cities. The principal works of the Society consist of the following.

(1) To publish returns in regard to education.
(2) To issue books and a magazine.
(3) To reward those who have rendered distinguish services in the cause of education.
(4) To open meetings for the study of educational affairs, a special course and lectures.
(5) To organize and send abroad a party for the inspection of education.
(6) To keep connection with the educational societies of foreign countries.

Education of Mongols

For geographical and political reason the education of the Mongols has been very inactive, there being almost nothing worth mentioning in regard to educational equipments. There is only a very scant distribution of books necessary for the cultivation of common knowledge among the general public. Especially scarce are books written in the Mongolian language. With the exception of a very limited number of government officials almost all the people are illiterate.

Since the founding of the country, great efforts have been made by the authorities of the Manchoukuo Government to spread education among the Mongolians who have been left in the lurch. The Mongolian Administration Office, formerly known as the Hsingan Office General, is chiefly in charge of education. The principles of the education of the Mongolians consist of the following:—

(1) **Primary Education:** To draw up a five year-programme in each banner and hsien and give industrial education and encourage physical labor under the programme with the object of training men suitable for opening up the industrial resources of Mongolia.
(2) **Middle School Education:** Chiefly to train men devoting themselves to the advancement of culture and civilization and opening up of industry and those giving themselves up to the cause of national education, the establishment of the Hsingan Institute being the materialization of those objects.

Japanese Educational Enterprises. — Educational institutions owned and supervised by Japanese through the medium of the Kwantung Government and the South Manchuria Railway, continue to play an important role in the country. Started some thirty years ago, the educational institutions supervised by the two organs have increased by leaps in the Japanese administrative regions consisting of the Kwantung Leased Territory (3,462 sq. km.) and the former South Manchurian Railway Zone (290 sq. km.). The institutions are divided broadly into two classifications, (1) schools for Japanese and (2) schools for Manchurians. The number of Japanese-controlled educational institutions in the Kwantung Leased Territory and the former South Manchuria Railway Zone totalled 208 in primary schools, and 39 in middle schools at the end of May, 1936. The primary schools are divided into three categories, consisting of ordinary primary schools, the Kogakudo, giving special course in Japanese, and the Futsugakudo maintained by village communities and devoted to Manchoukuoans.

Besides primary and middle schools the Japanese administration has established a few specialized educational institutions. The leading institutions are the following:—

Manchuria Medical University.—Established at Mukden by the South Manchuria Railway in June, 1911 for Japanese and Manchurian students. Course: preparatory 3 yrs., university 4 yrs. Enrollment at the end of April, 1937—university course, 289; preparatory course and special preparatory course, 287; special course 174. Clinic attached.

Port Arthur Engineering University. — Formerly Port Arthur Engineering School. Elevated to university status August, 1922. Departments: mechanical engineering, electrical engineering, mining, metallurgy. Course: preparatory 3 yrs., university 4 yrs. Enrollment at the end of August, 1937: Preparatory course, 250, University course, 197.

Russo-Japanese Association School.—Established, 1920 at Harbin by the Late Count Goto. Course, 3 yrs., Special course 1 yr.

South Manchuria Technical College.—Established at Dairen. Formerly, South Manchuria Technical School. Elevated to college status, 1922. Course, 3 yrs. Departments: architectural, mechanical. Enrollment in May, 1937: 288; teaching staff, 40.

Industrial Training Schools.—Established at Fushun and Penhsihu. Object: practical technical training. Course, 3 yrs.

Agricultural Training Schools.—Established at Kungchuling and Hsingyaocheng. Course, 1 to 2 yrs. With dormitory facilities.

Commercial Training Schools.—Established at Yingkow and Liaoyang in 1928. Course, 1 to 2 yrs. With dormitory attached.

New Training School for Mining Students

To provide a complement of skilled technicians for smooth execution of the Manchoukuo Government's Five Year Industrial Development Plan, officials were studying details for a special training school, in cooperation with mining and industrial interests in 1939. The school will have three departments, machinery, mining and electricity. The purpose of the school is to train technicians in one year course. The institution is planned to enroll one hundred students each for the regular course and the preparatory course.

Motion Picture Industry

The motion picture industry of Manchoukuo is still in an infant stage. In 1938 there were approximately 100 cinema theaters in the country. Cinema production is under the management of the Manchuria Film Corporation, capitalized at ¥5,000,000, subscribed to equally by the Manchoukuo Government and the South Manchuria Railway Company. The Company has under construction a large studio and office buildings in the southern suburb of Hsinking, the lot being 50,000 chia and the buildings having a total floor space of 16,892 meters. The Company handles not only the distribution of films produced by itself in Manchoukuo and China, but also distributes pictures imported from Japan and Europe as well. Due to inability to reach an understanding with American cinema producers, no American productions have been shown in Manchoukuo in recent years.

RELIGION

Religion.—Religions in Manchoukuo include both native cults and religions introduced from Japan and other foreign countries.

Table 9. Statistic of Religious Groups

	No. of Temples, Churches, Shrines, etc.	No. of Priests Missionaries, etc.	No. of Followers
Buddhism	2,019	4,243	1,770,692
Taoism	1,779	2,823	377,337
Lamaism	570	22,357	124,385
Mohammedanism	209	501	132,636
Roman Catholic	677	871	153,844
Other Christian Sects	675	1,025	51,393
Total	5,979	31,829	2,485,902

Native Religions.—There are various sects and denominations in the native religions, and each of them is intimately bound up with the social and political life of the people. Religious edifices are popularly called "miao" (shrines), or "ssyuan" (temple).

Besides the above, there are 35 "Wen Miao" or Confucian shrines in Fengtien Province, 15 in Kirin Province and 12 in Heilungkiang Province.

Hungwantzchui or Red Swastika Society which is also regarded as a sect of Taoyuan exercises considerable influence over the Manchoukuans.

Religions among the Japanese.—There are various sects and denominations of Shintoism, Buddhism and Christianity, represented by the Japanese. Buddhism has the strongest influence, with many temples, followed by Shintoism and Christianity.

Religions among other foreigners.—When the first Christian missionaries, mostly Danish and French, settled in this country, they found it very difficult to cultivate the new field. At present various districts of this country are dotted with Roman Catholic churches, as well as with Protestant churches established mostly by British and American missionaries, particularly by Americans.

Buddhism. — Buddhism in Manchoukuo has been divided into more than 30 denominations or sects, the most influencial of which are Rinzai, Zen. It is most popular and accordingly influential in Kirin province and also in Hunchun, Ningan, Tsitsihar, and elsewhere.

Alive to the importance of religion, Chinese in responsible posts created schools for priesthood and Chinese priest organized the Chinese Buddha Society. Laymen taking an interest in Buddhism also set up a Buddhistic Association. The Chinese Buddha Society established colleges for all sects, instructional institutions, and training stations. These bodies give lectures or carry on social works. Other organizations do not remain idle. Chinese priests and laymen agreed upon co-operation, and formed the Chinese Society of Association Buddhists. Briefly, Buddhism in the land is steadily spreading.

Taoism.—Taoism is a doctrine preached by Lao-tse. This was not a religion in its origin. When a certain period passed after the introduction of Buddhism, Taoism adopted idol workship. Limitless longevity and conciliation with nature are the doctrine it preaches. Taoism has 36 sects and 72 divisions.

Confucianism.—Doctrines, principles, and precepts prevalent long before the birth of Confucius were compiled and systematised by him. Mencius was the most noted exponent of his ideas. During the Han Dynasty of China, Confucianism was made the national teaching and has since been influenced for many centuries.

The State of Manchoukuo was founded in accordance with the principle of Royal Righteousness, an idea derived from Confucianism. Consequently, the Confucius Festival is observed as the National Festival of Manchoukuo, and is conducted every year throughout the country on September 5.

Mohammedanism.—Mohammedanism is an appelation much disliked by Mohammed himself, whose conviction it was that the teaching of Allah was the only truth which all men could believe and the doctrine he preached he called Islam. Islam implies peace, safety, salvation and reverence. Mohammedans in Manchoukuo are mostly butchers, tanners, hotel-keepers, bath-keepers and the like. Their antipathy towards those believing in other religions is very strong. However, the Declaration of Independence of Manchoukuo contains an idea showing reverence for the Mohammedans, who are accordingly recognized in the national color of the country. In consequence, they are so friendly to Manchoukuo that an all Manchoukuo Mohammedan Meeting was held under the direction of Mr. Mohammed Kurubangary, President of the Japan Mohammedanism League.

Lamaism.—Lamaism is a religion popular chiefly in Mongolia. When the Manchu Dynasty subjected China and her tributaries or subject peoples, Manchu statesmen availed themselves of that religion to make the virile Mongols imbecile and to cow them into docility. Lamaism is by no means an independent religion, but a form of Buddhism. Lama is a Mongol word implying "superior being." Mongols are accustomed to address Mongol priests of high posts, saying Lama or Lamadom. The doctrine of Lama is in no way different from that of Buddhism. There are several divisions, the most influential being the Red and the Yellow Sects. Manchoukuo is mostly influenced by the Yellow Lama.

There is one more religion in Manchoukuo known as Shamaism. This is a teaching indigenous to the soul of Manchoukuoans. It is believed by native Manchoukuoans in Northern Manchuria and by Siberian aborigines. Tsalism is another teaching, a school of which is said to have agitated the Boxers to rebel.

Taoyuan and World Buddha Scarlet Cross Society.—Taoyuan was originated in Shantung Province in December, the 9th Year of the Chinese Republican Regime. Its object of worship, Laoso, is considered the progenitor of all things in the universe and the source of the Great Path. It is the Great Principle of Confucianism personified. The World Buddha Scarlet Cross Society is conducting various kinds of social work. Buddha Scarlet symbolizes great benefit of vast magnitude like that of the sun. Taoyuan and Buddha Scarlet Cross Society are mutually dependent, one inseparable from the other. A person who is member of one must be a member of the other. It is said that these bodies have millions of members. The Buddha Scarlet Cross Society was founded in the 11th Year of the Chinese Republican Regime.

References:

Table Nos.: 1 a & b, 2-9 a.

Key. a—Dept. of Peoples Welfare, Manchoukuo,
b—Kwantung Bureau.

CHAPTER XI

STATE FINANCE

General

The financial reforms constitute one of the great achievements of the Manchoukuo Government since its organization in 1932. The following laws furnished the structural foundation: Currency Law (1932), Manchou Central Bank Law (1932), Lottery Law (1932), Banking Law (1933), Rural Credit Association Law (1934), Exchange Control Law (1935 and 1937), Manchou Industrial Bank Law (1936), Mutual Finance Association Law (1936), Securities and Bonds Control Law (1936), Gold Purchase Law (1937).

Summary of Successive Budgets

A study of the transition undergone by the series of budget compilations reveals traces of administrative improvements and national consolidation. Below is given a summary review of the developments witnessed in the successive Budgets.

(1) Period Immediately Following the Establishment of the State.—During this early period which covers only four months from March 1 to June 30, 1932, the proper functions of the various administrative organs could not be secured completely, and it was extremely difficult to make a definite estimate of revenue and expenditure on a yearly basis. The Government was, therefore, obliged to compile a monthly Budget.

(2) First Financial Year of Tatung (1932).—As a temporary measure the system in practice during the former days was adopted, and the Government fixed the financial year to cover the 12-month period from July 1, 1932 to June 30 of the following year. On the belief that it was most urgent to consolidate the state finances first, the Government decided on the fundamental policy of not borrowing either by issuing bonds or by contracting loans to make up deficits in revenue. Accordingly, after making this policy thoroughly understood by all the Departments, the authorities ordered them to prepare and submit respective draft estimates strictly in accordance with this policy. It was not until October 18 that the Budget was fixed. Great importance was attached to the maintenance of peace and order and consolidation of the national finances and endeavours were made to maintain as far as possible the balance between revenue and expenditure, not by incurring any substantial increase in the burden upon the people, but by ensuring the security of revenue through the adjustment of the tax collecting system on the one hand, and by exercising strict economy in expenditure on the other. Moreover, the Budget included a special reserve fund amounting to M¥15,000,000 for ensuring smooth functioning of the budgetary system lest the expansion of the nation should in any way be obstructed. Military expenditure, which under the former regime, used to occupy as much as 83 per cent. of the total expenditure now represented only 29 per cent., and a major portion of the budgetary estimates was alloted, as has always been the case ever since the foundation of this State, to measures designed to promote the hitherto neglected welfare of the people, a fact without precedent before Manchoukuo came into being.

(3) Second Financial Year of Tatung (1933).—Promulgated on the same basis as that of the previous financial year. With the elapse of one and a half year's time since the establishment of the State, it was possible now to make a forecast of revenue and expenditure, and, accordingly, it was unnecessary to keep a large special reserve fund as in the previous year. Moreover, the local budgets which up till then used to be compiled by each provincial government, were taken over by the central Government. The unusually large appropriations in the extraordinary Budget are accounted for by the Government's need of funds to meet the payment of the Government-subscribed shares of the Central Bank of Manchou and other special companies to finance pacification campaigns in the interior regions and to build or repair various central and local government offices.

(4) First Financial Year of Kangte (1934).—The Budget which was promulgated on June 28, 1934 was based as previously on the policy of eliminating the so-called red ink finance, consolidating the basis of the State finances and maintaining internal order—a policy which has been consistently followed since the very beginning. Special stress was laid on the institution of facilities for the development of industries.

(5) Second Financial Year of Kangte (1935).—The Budget was promulgated on June 26, 1935. Owing to the decision of the Government to make each financial year correspond to the calendar year on and after January 1, 1936, the Budget covered a half-year from July 1 to December 31. The policy of preserving sound finance was followed as faithfully as before.

(6) Third Year of Kangte (1936).—The Budget was published on December 28, 1935. In compiling this Budget the Government closely adhered to its traditional policy of solidifying the basis of national finances avoiding as far as possible any undue increase of expenditure by exercising strict retrenchment.

(7) **Fourth Year of Kangte (1937).**—In compiling this Budget the utmost efforts were made, by considering the circumstances of the country, to prevent general administrative expenditures from expanding for the purpose of making state finance strong and sound so as to enable it to cope with the extraordinary times, while trying to secure the positive and rational development of national strength by laying foundations for the second period construction programme for all departments of the government.

(8) Fifth Year of Kangte (1938).—The budget was compiled on the principle of rational and positive finance, it being designed, inter alia, to adapt the country to the situation brought about by the China Incident. It aimed in the main to effect, by mobilizing all internal facilities, the strengthening of national defence, promotion of the nation's producing capacity and efficient collaboration with Japan in the adjustment of international receipts and payments, besides ensuring a smooth working of the various arrangements instituted to cope with the new situation arising from the abolition of extraterritoriality by Japan.

Table 1. State Revenue and Expenditure Since Foundation of State

(Unit: M.¥1,000)

	General Accounts Ordinary	General Accounts Extraordinary	General Accounts Total	Special Account	Grand Total	Index
Revenue:						
*1932	9,000	12,236	21,237	——	21,237	——
1932	108,431	44,492	152,923	26,363	179,286	100
1933	151,145	43,429	194,574	90,589	285,163	160
1934	180,439	34,460	214,899	173,972	388,871	216
†1935	93,386	39,382	132,768	137,088	269,856	....
1936	223,719	39,891	263,610	260,553	524,163	292
1937 Estimate	211,632	36,467	248,099	542,959	791,058	440
1938 "	240,335	64,220	304,555	1,128,936	1,433,491	800
1939 "	299,837	103,540	403,378	1,353,957	1,757,335	980
Expenditure:						
*1932	10,615	7,582	18,198	——	18,198	——
1932	89,937	39,698	129,635	24,882	154,517	100
1933	105,143	60,339	165,482	90,845	256,327	166
1934	113,831	73,411	187,242	132,437	319,679	206
†1935	54,714	45,121	99,835	90,771	190,606	....
1936	130,741	90,049	220,790	174,091	394,881	256
1937 Estimate	119,113	128,986	248,099	506,086	754,185	500
1938 "	143,659	160,896	304,555	1,088,572	1,393,127	700
1939 "	182,039	221,344	403,378	1,288,262	1,691,640	1,100

Note: * Pre-budgetary period of four months from the establishment of Manchoukuo in March to the beginning of the next fiscal year in July.
† This period covers only six months since from the following year, the fiscal year corresponds with the calendar year.

Table 2. State Revenue Classified

(M.¥1,000)

(A) General Account (Revenue)

Ordinary:	1933	1934	1935†	1936	1937*	1938*	1939*
Taxes & Duties	133,554	155,181	77,436	183,627	153,029	172,957	203,293
Customs Duties	75,026	86,227	43,384	93,228	89,589	96,399	107,551
Tonnage Dues	593	772	213	67	69	49	46
Salt Gabelle	20,543	22,030	8,759	27,390	....	....	....
Internal Taxes	37,392	46,152	24,782	62,701	63,371	76,509	95,742
Land Tax	7,721	9,580	4,265	9,533	9,464	10,436	11,056
Income Tax	——	——	——	——	——	1,440	2,041
Liberal Profession Tax	——	——	——	——	——	200	176
Bourses	——	——	——	——	——	302	455

	1933	1934	1935†	1936	1937*	1938*	1939*
Business Tax	4,225	5,774	4,276	9,585	10,003	14,181	15,625
Production Tax	7,238	8,782	4,659	10,060	8,348	8,887	10,724
Mining Tax	930	1,198	578	1,034	1,217	1,313	1,560
Stock-breeding Tax	1,487	2,543	1,330	3,074	2,510	....	....
Wine & Liquors Tax...	3,712	13,728	5,365	8,156	9,210	9,780	13,512
Tobacco Tax			2,202	13,508	14,337	16,514	23,400
Consolidated Tax......	11,534	3,032	1,449	4,030	4,362	5,500	9,642
Stamp Receipts	4,322	7,587	4,266	9,958	9,097	9,888	14,987
Monopoly Profit......	6,063	11,389	6,373	20,116	44,368	52,325	76,608
Total incl. others	151,145	180,439	93,386	223,719	211,632	240,335	299,837
Extraordinary:							
National Loan	9,000	....	5,000	....	15,000	40,000	65,000
Surplus	24,713	29,795	28,569	32,933	10,416	13,000	20,000
Transferred from Special Account	789	803	679	3,051	2,392	6,518	13,547
Total incl. others	43,429	34,460	39,382	39,891	36,467	64,220	103,540
Grand Total	**194,574**	**214,899**	**132,768**	**263,610**	**248,099**	**304,555**	**403,378**

Note: * Budget Estimate, excluding Supplementary Budget.
† The fiscal year 1935 covers the six months only from July to December 31, a revision having been effected in 1936 to correspond the fiscal year with the calendar year.

(B) Special Account (Revenue)

	1933	1934	1935†	1936	1937*	1938*	1939*
Redemption Fund of National Loans..........	27,621	38,823	41,146	53,620	120,629	96,940	116,424
Capital Construction Bureau	7,856	7,640	6,068	7,666	5,232	2,147	3,200
Supplies	5,612	9,324	4,658	8,641	7,273	17,244	77,073
National Highways Bureau	7,620	——	——	——	——	——	——
Coordination Fund for Local Finance	——	——	——	——	——	42,700	37,575
National Loan	——	——	——	——	110,735	366,916	396,428
Construction of Hydro-Electric Power Station..	——	——	——	——	3,151	16,382	30,567
Scientific Research Enterprises	——	——	——	——	——	2,044	4,849
Govt. Officials Mutual Relief	——	——	——	——	——	2,166	3,881
Army Clothing Depot....	5,889	4,630	2,522	4,300	4,623	7,403	8,567
Arsenal	——	1,623	1,281	2,444	3,300	12,329	15,723
Horse Race	——	——	——	——	2,674	4,352	5,926
Monopoly Bureau	11,141	21,683	——	——	113,248	158,751	195,904
Salt Administration	17,218	18,041	8,360	21,235			
Monopoly Enterprises	——	——	——	——			
Opium	——	——	14,684	39,065			
Oils	——	638	7,400	23,454			
Adjustment Fund for State Properties	1,437	4,802	4,136	6,090	5,011	5,733	10,552
Investments	——	17,962	9,250	25,004	91,448	326,215	280,327
Railway Loans	——	44,648	34,925	51,904	48,709	14,778	8,280
State Forestry Enterprise.	——	——	——	10,747	14,113	25,964	74,468
Gold Refining	——	——	——	300	1,500	4,478	——
Postal Administration	3,638	4,158	2,658	6,084	5,898	12,025	14,825
P. O. Life Insurance	——	——	——	——	——	989	3,066
River Improvement and Irrigation Enterprise ..	——	——	——	——	——	1,800	4,968
Prisons	——	——	——	——	5,415	7,579	13,076
North Manchuria Special Districts	2,557	——	——	——	——	——	——
Grand Total	**90,589**	**173,972**	**137,088**	**260,553**	**542,959**	**1,128,936**	**1,353,957**

Note: * Budget Estimates.
† The fiscal year 1935 covers the six months only from July to December 31, a revision having been effected in 1936 to correspond the fiscal year with the calendar year.

Table 3. State Expenditures Classified

(M.¥1,000)

(A) General Account (Expenditure)

	Dept. of Imperial Household	% to total	General Affairs Board	% to total	Dept. of Civil Affairs	% to total	Dept. of People's Welfare	% to total	Dept. of Foreign Affairs	% to total
1931....	333	1.83	8,438	46.73	767	4.21			81	0.44
1932....	1,150	0.89	42,402	32.71	9,226	7.11			1,180	0.91
1933....	1,400	0.84	43,848	26.49	27,600	16.68	Established		1,191	0.72
1934....	3,753	1.99	40,637	21.55	37,081	19,67	July 1st,		1,488	0.79
1935....	1,035	1.03	22,102	22.14	22,530	22.57	1937		873	0.87
1936....	2,120	0.96	49,433	22.38	40,849	18.50			1,531	0.69
*1937....	2,100	0.84	38,866	15.66	63,966	25.78			1,616	0.65
*1938....	2,100	0.69	103,178	33.88	Abolished July		14,941	4.91	——	——
*1939....	2,100	0.52	131,381	32.50	1st, 1937		19,226	4.75	——	——

	Dept. of Defence	% to total	Dept. of Public Peace	% to total	Dept. of Finance	% to total	Dept. of Finance & Commerce	% to total	Dept. of Industry	% to total
1931....	7,800	42.86			214	1.18			102	0.56
1932....	43,710	33.72			24,036	18.54			634	0.49
1933....	47,828	28.90	Established		25,891	15.64	Established		5,961	3.60
1934....	60,029	31.84	July 1st,		19,534	10.36	July 1st,		5,159	2.73
1935....	27,483	27.53	1937		11,630	11.56	1937		3,168	3.17
1936....	73,545	33.30			25,394	11.50			5,623	2.54
*1937....	80,170	32.31			27,694	11.16			8,508	3.43
*1938....	Abolished July		111,905	36.74	Abolished July		27,051	8.88	12,042	3.95
	1st, 1937				1st, 1937					
*1939....	——	——	137,722	34.00	——	——	35,673	8.80	20,879	6.59

	Dept. of Communications	% to total	Dept. of Justice	% to total	Dept. of Education	% to total	Dept. of Mongolia Administration	% to total	Grand total	%
1931....	126	0.69	335	1.84	——	——	——	——	18,198	100.00
1932....	1,645	1.27	3,814	2.94	420	0.32	1,416	1.09	129,635	100.00
1933....	2,925	1.77	5,730	3.46	851	0.51	2,257	1.36	165,482	100.00
1934....	3,352	1.78	7,507	3.98	5,808	3.08	2,898	1.53	187,242	100.00
1935....	2,091	2.09	4,526	4.53	2,870	2.87	1,526	1.53	99,835	100.00
1936....	4,116	1.86	9,886	4.48	5,090	2.30	3,231	1.46	220,790	100.00
*1937....	5,146	2.07	9,997	4.03	5,698	2.29	4,338	1.75	248,099	100.00
*1938....	21,798	7.15	11,540	3.78	Abolished July		Abolished July		304,555	100.00
					1st, 1937		1st, 1937			
*1939....	44,007	10.90	12,450	3.09	——	——	——	——	403,378	100.00

(B) Special Account (Expenditure)

	1933	1934	1935†	1936	1937*	1938*	1939*
Redemption Fund of National Loans	27,621	7,663	——	1,057	120,629	96,940	116,424
Capital Construction Bureau	7,743	6,713	4,839	6,201	5,232	2,147	3,200
Supplies	5,612	9,032	4,873	8,500	7,155	17,044	76,578
National Highways Bureau	7,231	——	——	——	——	——	——
Coordination Fund for Local Finance	——	——	——	——	——	42,700	37,575
National Loan	——	——	——	——	110,735	366,916	396,428
Construction of Hydro-Electric Power Works..	——	——	——	——	3,149	16,382	30,566
Scientific Research Enterprises	——	——	——	——	——	2,166	4,849
Govt. Officials Mutual Relief	——	——	——	——		1,407	2,094
Army Clothing Depot	5,302	5,148	1,914	3,576	4,758	7,480	8,668
Arsenal	——	1,623	1,281	2,444	3,300	12,329	15,723
Horse Race	——	——	——	——	1,311	2,302	2,866
Monopoly Bureau	13,008	24,093	——	——	78,890	122,778	139,536
Salt Administration	17,218	12,404	5,880	15,419			
Monopoly Enterprises	——	——	——	——			
Opium	——	——	18,968	28,232			
Oils	——	1,453	5,640	17,024			

	1933	1934	1935	1936	1937*	1938*	1939*
Adjustment Fund for State Properties	1,437	4,001	2,247	2,990	4,144	5,122	10,552
Investments	—	15,945	10,909	23,875	91,448	326,215	180,327
Railway Loans	—	40,468	32,166	50,501	48,709	14,778	8,280
State Forestry Enterprise.	—	—	—	9,161	14,113	24,443	74,251
Gold Ore Refining	—	—	—	87	1,500	5,388	—
Postal Administration ...	2,940	3,894	2,054	5,024	5,898	12,025	14,825
P. O. Life Insurance	—	—	—	—	—	631	1,393
River Improvement and Irrigation Enterprises ...	—	—	—	—	—	1,800	4,968
Prisons	—	—	—	—	5,115	7,579	13,076
North Manchuria Special Districts	2,742	—	—	—	—	—	—
Grand Total	**90,845**	**132,437**	**90,771**	**174,901**	**506,086**	**1,088,573**	**1,288,262**

Note: * Budget estimates, exclusive of supplementary budgets. As the result of changes in the administrative system enacted since July 1, 1937, the principal organs of the Civil Dept. and the Educational Dept. were abolished and incorporated into the Dept. of People's Welfare. Several other changes were also effected. These consisted of the transformation of the Dept. of Defense to the Dept. of Public Peace, the Dept. of Finance to the Dept. of Finance & Commerce, and the Dept. of Mongolian Administration to the Hsingan Office.

† The fiscal year 1935 covers the six months only from July to December 31, a revision having been effected in 1936 to correspond the fiscal year with the calendar year.

State Budget for 1939

The Manchoukuo Government's budget for the sixth fiscal year of Kangte (January 1 to December 31, 1939), which was adopted by the State Council on December 19, 1938, was formally approved by the Privy Council on December 22 and announced the same day following its sanction by the Emperor.

According to the new budget, revenues total M¥1,757,335,000, comprised of M¥403,377,000 in the general accounts and M¥1,353,957,000 to the special accounts, and expenditures total M¥1,691,639,000, comprising M¥403,377,000 in the general accounts and M¥1,288,261,670 in the special accounts. The general accounts budget, amounting to M¥403,377,000 in both revenues and expenditures, represents a substantial increase of M¥98,882,655 over that for the previous fiscal year.

In the special accounts, twenty-two items are listed, including appropriations of M¥5,966,273 for the newly-established public servants' pension fund, M¥42,313,841 for the establishment of the Colonial Affairs Bureau, M¥250,000,000 for the special investments accounts, M¥30,550,000 for the establishment of hydro-electric enterprises, and M¥3,217,000 for irrigation works.

The total bond issue for the 1939 fiscal year amounts to M¥396,428,000, of which M¥65,000,000 comes under the general accounts, and M¥331,428,000 under the special accounts.

New expenditures total M¥190,000,000, of which M¥17,361,180 is allotted to industrial development, M¥61,332,497 to national defence, M¥16,440,396 to public peace maintenance, M¥11,949,401 to administrative readjustments, M¥4,827,123 to control of commodities and other similar purposes, M¥12,423,113 to education, M¥2,491,736 to public health and social welfare, M¥10,924,308 to communications and public works, M¥9,361,907 to immgiration, M¥2,536,077 to judicial matters, and M¥43,697,865 to other purposes.

The excess of expenditure over revenue will be financed partially by an increase in corporation and other taxes, together with increased receipts from Government monopolies. The Sino-Japanese incident has cemented more closely the political and economic relations with Japan. This intimate amity is the lever of the rapid development of Manchoukuo. It will be the most important problem of the coming years to continue this development, with as much independence from Japanese assistance as possible.

Loans Outstanding.—As at the end of 1938 there was a total of M¥858,918,000 of national loans and borrowings outstanding. Of this amount M¥346,750,000 was represented by external loans and borrowings from Japan.

Table 4. National Loans & Borrowings Outstanding

(M¥1,000)

	Bonds			Borrowings			
	Internal	External	Total	Internal	External	Total	Grand Total
1936 (Dec.)	92,675	154,000	246,675	61,700	16,100	77,800	324,475
1937 (June)	118,175	179,000	297,175	42,500	14,100	56,600	353,775
1938 (June)	298,175	243,000	541,175	62,555	14,000	76,553	617,730
1938 (Dec.)	348,175	334,250	682,425	164,493	12,000	176,493	858,918

Table 5. Domestic and External (Japanese) Loans of The Manchoukuo Government

(January, 1939)

	Amount issued (M¥1,000)	Outstanding (M¥1,000)	Rate (%)	Date of issue	Date of redemption
Domestic:					
1st 5% Loans (1)	33,000	33,000	5.0	Apr. 26, 1933	Apr. 25, 1943
Old Regime Debts Readjustment ...	5,998	5,998	3.0	Sept. 27, 1933	June 30, 1953
1st 6% Loans (2)	11,928	11,928	6.0	Dec. 26, 1933	Dec. 25, 1983
2nd 5% Loans (3)	3,599	3,599	5.0	Apr. 30, 1934	Apr. 30, 1944
National Foundation Grant Loans..	8,150	8,150	5.0	July 3, 1935	July 3, 1960
Imperial Property Loans..........	5,500	5,500	4.0	Apr. 1, 1937	Apr. 1, 1987
1st 4% Loans (1)..............	30,000	30,000	4.0	Nov. 20, 1936	Nov. 20, 1946
2nd " " (1)..............	20,000	20,000	4.0	May 15, 1937	May 14, 1947
3rd " " (4)..............	80,000	80,000	4.0	Dec. 1, 1937	Dec. 1, 1947
4th " " (4)..............	100,000	100,000	4.0	Mar. 3, 1938	Mar. 2, 1948
5th " " (4)..............	50,000	50,000	4.0	Dec. 26, 1938	Dec. 26, 1948
Total Domestic Loans	**348,175**	**348,175**	—	—	—
Japanese Loans:					
National Foundation Loans........	G¥ 30,000	G¥18,000	5.0	Jan. 10, 1933	Jan. 10, 1940
¥ 4% Loans (4)	10,000	10,000	4.0	Aug. 20, 1934	Aug. 20, 1947
1st N. Manchuria Ry. Loans......	30,000	30,000	4.0	Apr. 25, 1935	Apr. 25, 1945
2nd " "	30,000	30,000	4.0	Aug. 15, 1935	Aug. 15, 1945
3rd " "	30,000	30,000	4.0	Feb. 5, 1936	Feb. 5, 1946
4th " "	30,000	30,000	4.0	Aug. 1, 1936	Aug. 1, 1946
5th " "	50,000	50,000	4.0	Feb. 1, 1937	Feb. 1, 1947
1st Industrial Loans	25,000	25,000	4.0	Aug. 20, 1937	Aug. 20, 1947
2nd " "	20,000	20,000	4.0	Mar. 25, 1938	Mar. 25, 1948
Total Japanese Loans	**255,000**	**255,000**	—	—	—
GRAND TOTAL	**603,175**	**603,175**	—	—	—

Note: (1) Depreciation fund for dead assets taken over from the former Provincial Banks.
(2) Purchasing of the three railways.
(3) Betterment of treatment of former Customs Officers.
(4) Investment.

TAXATION

A comprehensive picture of the internal tax system in Manchoukuo is given in an accompanying table. A number of the taxes innumerated in the table require some explanation. The Government considered until the fiscal year 1938 the time still premature to introduce a general income tax. Therefore, what is called a Profit Tax has been adopted instead. This tax is divided into two classes, the General Profit Tax and the Special Profit Tax. Under the former there is a Labor Service Income Tax, imposed on incomes derived from labor services; a Free Occupation Tax, based upon the profits from free occuational services; a House Tax on profit from houses; a Land Tax on profit from land, especially arable land; a Business Tax on profits earned by private businesses; and a Corporate Business Tax on the profits earned by business corporations or groups which may be considered business corporations. The Special Profit Tax is imposed to meet the situation resulting from the lack of a general income tax. It is intended to be complementary to the land and business taxes of the general profit class so as to secure a rational adjustment of the tax burden on tax payers under these heads.

The Ore Output Tax is imposed on mineral ores produced within the country and is intended to be complementary to the land tax. The Mining Area Tax is imposed on the holders of mining rights on the basis of mining areas, while the Mineral Output Tax is a levy on mining rights on the basis of mineral production, and is intended to be complementary to the business tax. The Opium Special Tax is intended to be complementary to the land tax and is imposed on the area of land under opium poppies in Jehol and Hsingan West Provinces.

Among the above mentioned taxes on profit, additional taxes are imposed on the following activities; the Labor Service Income Tax, the Corporate Business Tax, the Ore Output Tax, the Mining Area Tax, the Mineral Output Tax, and the Opium Special Tax. The receipts from these additional levies are appropriated by the provinces to help meet their local expenses. At the same time, the municipalities, districts and banners are authorized to impose additional taxes on the basis of the Free Occupation Tax, the House Tax, or the Business Tax. These provincial and local rates are generally fixed below 50 per cent of the State rates so as to prevent the burden on the tax payer from becoming too excessive.

There are also Taxes on Consumption which fall into six categories. The aggregate receipts from these taxable sources amount to about 42 per cent of the total receipts from internal taxes. They thus occupy an important position in the country's fiscal structure. In addition, there are the State monopolies of salt, petroleum, alcohol, opium and matches. In a sense these monopolies assume the character of levies on consumption.

The Alcoholic Liquor Tax is collected from manufacturers on the basis of volume and according to classes. The Cigar and Cigarette Tax is levied on these products according to value and volume, the charges being made against the manufacturers. Of tobacco products other than cigars and cigarettes, a Tobacco Tax is levied on cut and leaf tobacco which is collected from the growers and manufacturers respectively. A Cotton Goods Consolidated Tax, according to the denier of yarn and weight, is collected from the manufacturers when the goods are taken from the factory. A Wheat Flour Consolidated Tax is imposed on wheat flour according to weight, collection being made from the manufacturer against shipment from the mill. Finally, there is a Cement Tax, imposed according to weight, charged to the manufacturer against shipment from factory.

Miscellaneous taxes are divided into twelve classes. The Land Utility Tax is imposed on those who own real estate or hold leases or mortgages from which profits are derived. A Document Tax is levied on various kinds of documents and books which record the establishment, removal, loss, alteration and recognition of rights of property. The fees are paid by the maker of such records through the purchase of stamps. A similar Registration and Record Filing Tax is collected from applicants for the registration and recording of the acquisition, loss, or change of property rights in real estate or other forms, as well as any changes in the applicants personal status which must be registered and filed on record in the official books legally prescribed for this purpose. All transactions in securities are subject to the Bourse Tax (exclusive of national bonds), as well as merchandise for which marginal settlements are possible.

Table 6. Internal Tax System of Manchoukuo

- Internal Tax. . . . .
  - Internal Tax.
    - General Profit. . . . .
      - Labor Service Tax
      - Free Occupation Tax
      - House Tax
      - Land Tax
      - Business Tax . . . .
        - Corporate Business Tax
        - Business (Private)
    - Special Profit. . . . .
      - Ore Output Tax
      - Mining Tax . . . .
        - Mining Lot Tax
        - Mineral Output Tax
      - Opium Tax
  - Consumption Tax . . . .
    - Alcoholic Liquor Tax
    - **Cigarette & Cigar Tax**
    - Tobacco Tax
    - 3 Consolidated Tax . . .
      - Cotton Goods Tax
      - Wheat Flour Tax
      - Cement Tax
  - Current Tax . . . .
    - Contract Tax
    - Mining Registration Tax
    - Commercial " "
    - Patent " "
    - Design " "
    - Factory " "
    - Vessel " "
    - Immovable Property " "
    - Revenue Stamp "
    - Bourse "

MARITIME CUSTOMS

The maritime customs under the former regime in Manchuria were one of the so-called foreign managed systems which had developed throughout China. They were therefore in a far more orderly condition as compared with the system of internal taxation which prevailed. It was indeed fortunate for Manchoukuo that it could from its first day take over what had been achieved in this respect. Nevertheless, as might be expected, from the important position that the customs were to assume in the State's public finance later, the new Government was confronted with many problems in adjusting the foreign customs to the new administrative system, especially from the standpoint of industrial development. There was also the problem of expanding the network of customs houses in relation to the newly defined border lines and the training of personnel. These problems were met by a series of adjustments between 1932 and 1935, but the changes were hardly more than modifications of the former system. In the second period of adjustment after 1937 when Manchoukuo embarked upon vigorous construction, the customs tariff system could not remain unaffected. Sweeping changes therefore were carried out in January, 1938, through the Customs Tariff Law.

The export and import tariff schedule taken over from the former regime contained many unsatisfactory features. For example, the rates on a number of commodities were altogether out of proportion to the requirements of the country. Other rates were emphatically anti-foreign in motive, while others were contradictory to the industrial policies of the country.

This situation naturally called for early adjustment, but fundamental changes had to be made with caution and prudence. As a result, a moderately progressive policy of adjustment was pursued. In the early period from July, 1933 to November, 1935, the export rates were revised three times and the import rates were revised twice, but these still contained a number of objectionable and unsatisfactory features. The Government laid plans for further and more thorough-going changes which were finally put into effect with the complete revision of the customs tariff in January, 1938, aimed at equalizing the burden on the consuming public and securing sources of national revenue. The new schedule was introduced in the form of a list appended to the customs tariff law, and the new tariff has met with general approval.

In addition, it was also necessary to extend the network of custom houses not only as far as the Great Wall but also toward North Chosen (Korea) in consequence of the demarcation of the border lines. Manchoukuo customs houses have been opened at the three ports of Yuki, Rashin and Seishin, where facilities have been provided for trade with Japan and European countries.

Moreover, in order to handle transactions with foreign countries which have interests in Manchoukuo, internal custom houses have been provided at Mukden, Hsinking and Harbin, where, with the completion of the system of bonded institutions, facilities for internal trade have been provided.

There are at present custom houses at Dairen, Antung, Yingkow, Mukden, Hsinking, Harbin, Tumen and Shanhaikwan, along with 11 branch customs houses, 3 agency offices, and 54 sub-offices. Thus the country is now provided with a fairly complete structure for customs administration.

Table 7. Revenue from Customs

(In M¥1,000)

Year	Import Duty	Export Duty	Re-export Duty	Special Relief Duty	Total incl. Others
1932	25,493	11,942	2,491	2,052	51,949
1933	57,260	13,776	1,054	2,936	75,026
1934	69,861	12,261	965	3,149	86,227
† (July-Dec.)	38,592	6,175	7	1,568	43,384
1936	69,085	12,051	213	2,925	93,228
*1937 (Budget Estimate) . .	72,827	13,351	213	3,198	89,589
*1938 (" ") . .	85,156	10,769	474	. . . .	96,398
*1939 (" ") . .	95,144	11,729	632	. . . .	107,511

Table 8. Former Chinese Foreign Loans

Secured by Customs Revenue:	
18,983,860 Pounds Sterling.	M.¥ 298,737,264
Secured by Salt Gabelle:	
66,699,598 Pounds Sterling.	1,049,664,913
104,525,481 Gold Dollars	319,158,103
993,092 Florins	1,064,993
Total	M.¥1,668,624,973

Simplification of Duties

The Government has sought to obtain a simpler classification of duties and a less burdensome and perplexing system of rates. Steps toward such changes were made in 1934 by clarifying the objects subject to duty and by revising certain duties which had in reality amounted to prohibitions. In place of the "flood surtax", for example, a new levy was instituted in the form of a "diaster surtax," thereby clearly establishing the legal basis for such procedure.

River dues collected at both Harbin and Yingkow and the above-mentioned disaster surtax were subsequently abolished in 1937 upon the institution of the Customs Tariff Law. Revenues of the administration are of two kinds, the customs duties themselves and tonnage dues. Under the former are the export and import levies and interport duties. Export duties are imposed on domestic goods shipped abroad. The tariff of January, 1938, on the principle of individual specifications contains one section of twenty items for each of the five categories of agricultural produce, fruits, animals, furs and skins and processed agricultural goods. On the basis of the average charge of 2.5 per cent for the year 1936 ad valorem rates are fixed for four items and specific rates for seventeen items.

Import duties are imposed on foreign goods imported into the country. The new import tariff comprises twelve categories, 745 classes and 1,904 items, of which forty-three are duty free and 1,861 subject to imposition. Rates are on the average fixed betweent 5 and 40 per cent, based mainly on the average charges for the years 1935 and 1936. Ad valorem rates are applied to 1,088 items and specific rates to 773 items.

The interport duties which were taken over from the previous regime presented an imposing but quite unbalanced list of items. In November, 1934, the system was so amended as to amount practically to abolition, but total abolition could not be effected so suddenly and the interport duty system has been suffered to remain in its present emasculated form. These duties are charged on goods of Manchoukuo origin when shipped from one port to another, collection being made at the port of shipment at the basic rate of 7.5 per cent.

Tonnage dues are collected from all shipping other than sailing vessels engaged in coastwise trade. Duties are levied when such vessels enter the open ports of Antung, Yingkow and Hulutao. Tonnage dues under the former regime were excessively high in view of the conditions under which ships engaged in coastwise trade. The Government made a thorough-going revision of the system in June, 1934, alleviating the burden on the shipping trade to the extent of about one-sixth on steam vessels and about one-third on sailing vessels.

THE STATE MONOPOLY SYSTEM

The monopoly system of Manchoukuo was formerly confined to opium, petroleum, and a part of the salt output of the nation, but since 1937 the country's entire salt production and matches have been also placed under Government monopoly.

All monopoly affairs of the State are handled by a central establishment in Hsinking known as the General Monopoly Office, which directly controls ordinary monopoly offices located in fourteen principal cities (Hsinking, Mukden, Yingkow, Ssupingkai, Antung, Shanchengchen, Chinhsien, Kirin, Yenki, Harbin, Mutankiang Chiamussu, Tsitsihar and Jehol City), 108 monopoly bureaux and 190 sub-bureaux.

Monopoly Revenue.—The combined income from state monopolies in 1939 was estimated at M¥195,904,337 and the net profit at M¥76,607,944.

Salt Monopoly

The thorough-going salt monopoly system was enforced in January, 1937 for the following purposes:—

1. To ease the life of the nation by equalizing and lightening their burden.
2. To positively increase salt production in order to meet its requirements for industrial purposes in Manchoukuo and Japan.
3. To secure the smooth distribution of salt,
4. To effect the rationalization of the salt administration organ and cut expenditure,
5. To secure the stability of annual revenue.

With the inauguration of the salt monopoly the salt affairs office and the Office for controlling the sale and supplying of salt were brought under the control of the General Monopoly Office. As a result, monopoly offices, monopoly bureaux and sub-monopoly bureau were increased, their number rising to over 300.

Among the improvements effected to the Salt Monopoly by the Manchoukuo government are the following:

1. Abolition of the salt surtax in the former Kirin and Heilungkiang Provinces in December, 1932. Although a salt monopoly was enforced in these two provinces, a surtax was also levied, which resulted in double taxation, an instance of unfair taxation under the former military regime.

2. Reduction of the import duty on Mongolian salt in April 1933. The tariff of M¥5.35 per 100 chin (1 chin equals one-half kilogram), levied on Mongolian salt imported into Jehol Province, was reduced to M¥5.00.

3. Reduction of the salt price in the Chientao district in August, 1933. Prices were reduced ranging from M¥2.20 to M¥3.55 per 100 chin.

4. Reduction of the salt tax and price in March, 1934. On the occasion of the inauguration of the Imperial regime on March 1, 1934, the gabelle was reduced by 30 fen per 100 chin, and the salt price in the former Kirin and Heilungkiang Provinces by M¥1.00 per 100 chin on the average.

Match Monopoly

The system which Manchoukuo adopted with regard to match in the past was known as public sales system. It consisted of a combination of taxation and monopoly systems. Under this system, the General Match Public Sales Bureau, supervised by the Department of Finance, entrusted the Manchuria Manufacturers' Association with the public sale of matches through the medium of wholesale and retail dealers. The wholesale dealers paid tax to the above Bureau according to the amount of business handled. Government inspectors were stationed in various places to supervise the manufacture of matches, the distribution of matches from factories, and retail business.

The above system was adopted as a temporary expedient in compliance with a joint petition submitted by the match manufacturers during the chaos following the Manchuria Incident, and contained many defects. The need for fundamental revision was felt, and in December, 1936, the Match Monopoly Law was promulgated, which took effect in February, the following year.

In brief, the new Law stipulates that any person who wishes to manufacture, import or export matches must obtain a permit for such from the Government. All matches manufactured, imported or exported, automatically become Government monopoly products, which must be sold to the Government in return for fair compensation. The wholesale trade in matches is conducted only by those designated by the Government.

References:
Table Nos.: 1-3 a, 4-5 b, 6-7 a, 8 b.
Key: a—Dept. of Finance & Commerce.
b—Central Bank of Manchou.

Opium Monopoly

Manchoukuo's opium monopoly system was established to control opium production and transactions in order to facilitate the execution of its opium policy. If illicit cultivation of poppy, illegal transactions in opium and secret opium smoking are suppressed and replaced by Government licensed cultivation and smoking, the practise, it is believed, can be gradually lessened, and the evil eventually exterminated. This method which has been adopted by Manchoukuo conforms with that which was introduced into Taiwan several decades ago with marked success. As a first step towards eradicating the evil the Manchoukuo Government promulgated the Opium Law in November, 1932. (See page 786, Japan-Manchoukuo Year Book 1934 issue for full text of Law).

According to Article 2 of the Opium Law, no person is allowed to smoke opium. Special permission, however, may be given to those adults who had already acquired the habit before the Law was enforced, and to whom the drug is an indispensable necessity. Licensed smokers in 1938 numbered about 550,000, while the number of addicts is roughly estimated at one million, although no thorough surveys have as yet been made.

Oil Monopoly

The Oil Monopoly was instituted in Manchoukuo on April 10, 1935 in view of the strategic and commercial importance of petroleum. The oil business as regards the purchase and refining of foreign crude petroleum was entrusted by the Government to the semi-official Manchuria Petroleum Company in February, 1934. The enforcement of the Oil Monopoly caused complaints to be lodged by foreign companies to safeguard the interests which they had developed in Manchuria over a number of years. The Manchoukuo Government has taken due cognizance of this situation and a settlement of differences has been in the course of negotiation.

(For full text of Oil Monopoly Law see Page 855, 1935 issue. For full text of Organization Law of the Monopoly Bureau see Page 957, 1936 issue).

CHAPTER XII

BANKING & CURRENCY

BANKING

The banking system of Manchoukuo is identical in its basic features with that of Japan. Great progress in unifying banking practices has been witnessed in the years since the establishment of the new state in 1932. The formation of the Central Bank of Manchou in 1932 and that of the Industrial Bank of Manchou in 1936 brought solidity to monetary circles in Manchoukuo, which have been reflected in the rapid development of commercial and industrial undertakings. Japanese influence in banking is predominant and this fact has acted as a stabilizing force. Loans and deposits of the various banks have generally tended to increase in a significant manner.

Bank deposits in June 1939 amounted to M¥1,204,515,000 of which M¥926,089,000 was accounted for by the Central Bank and the Industrial Bank of Manchou. Loans were M¥1,444,818,000, of which M¥984,781,000 were credited to the aforementioned two special banks.

Table 1. Deposits & Loans of Financing Organs in Manchuria

(In M¥1,000)

(A) Deposits

	Central Bank of Manchou	Industrial Bank of Manchou	Ordinary Banks	Japanese Banks	Chinese Banks	European Banks	Total
1935 (Dec.)	151,934	——	11,364	382,157	34,411	14,568	594,934
1936 (June)	187,966	——	14,192	364,444	35,620	13,697	615,918
" (Dec.)	225,582	——	13,042	444,249	25,918	12,447	721,238
1937 (June)	248,624	211,137	17,056	167,602	25,564	11,692	681,674
" (Dec.)	265,580	244,270	32,676	132,785	20,184	16,233	711,728
1938 (June)	303,784	331,336	36,291	133,530	17,368	22,299	847,071
" (Dec.)	386,849	388,150	47,912	132,584	15,338	16,528	987,361
1939 (June)	457,539	529,300	67,938	183,512	16,272	15,702	1,204,514

	Credit Assn.			Postal Savings			
	Kinyu Gassaku-sha	Kinyu Kumiai	Kinyu Kai	Manchou side	Japanese side	Total	**Grand Total**
1935 (Dec.)	2,103	5,682	——	2,336	44,771	47,107	**649,826**
1936 (June)	5,302	6,447	1,458	4,729	47,989	52,718	**681,842**
" (Dec.)	5,783	6,938	1,630	7,107	49,670	56,777	**792,365**
1937 (June)	10,960	8,281	2,282	11,340	52,483	63,824	**767,019**
" (Dec.)	11,138	9,818	2,120	17,304	56,836	74,140	**808,945**
1938 (June)	16,397	12,280	2,573	35,789	57,310	93,099	**971,420**
" (Dec.)	19,829	15,095	3,076	51,613	57,941	109,555	**1,134,916**
1939 (June)	31,692	18,554	4,161	77,285	57,916	135,201	**1,394,122**

(B) Loans

	Central Bank of Manchou	Industrial Bank of Manchou	Ordinary Banks	Japanese Banks	Chinese Banks	European Banks	Total
1935 (Dec.)	169,782	——	32,103	307,485	22,194	27,191	558,755
1936 (June)	156,941	——	30,253	299,667	18,234	25,136	530,231
" (Dec.)	197,360	——	36,586	368,012	23,540	24,457	649,954
1937 (June)	180,299	186,284	39,846	142,339	21,152	20,641	590,563
" (Dec.)	212,569	253,995	57,288	162,917	17,866	30,070	739,705
1938 (June)	245,961	288,528	67,982	219,660	17,926	26,806	866,862
" (Dec.)	419,997	412,419	71,800	290,223	14,901	22,247	1,231,588
1939 (June)	457,539	527,242	82,845	349,770	14,928	12,493	1,444,818

	Credit Associations				
	Kinyu Gassaku-sha	Kinyu Kumiai	Kinyu Kai	Total	**Grand Total**
1935 (Dec.)	6,328	7,121	3,097	16,546	**575,301**
1936 (June)	10,942	7,846	4,773	23,560	**553,791**
" (Dec.)	8,905	9,860	4,186	22,951	**672,906**
1937 (June)	25,142	11,605	6,145	42,893	**633,455**
" (Dec.)	15,099	12,664	4,879	32,641	**772,347**
1938 (June)	50,103	14,151	8,709	72,964	**939,826**
" (Dec.)	27,153	14,596	7,744	49,492	**1,281,080**
1939 (June)	111,215	17,839	15,211	144,265	**1,589,083**

Central Bank of Manchou

The Central Bank of Manchou was established on June 11, 1932. It is legally a joint-stock company organized by the Government and the people, but heretofore investments have been made only by the Government. The capital of 30,000,000 yuan, which consists of 300,000 shares of 100 yuan each, may be increased by resolution of shareholders with the approval of the Government. The following three objectives were laid out in the formation of the Central Bank of Manchou:—

(1) To unify and stabilize the currency,

(2) To function not only as a central banking institution for Manchoukuo, but also to engage in general banking business and in giving necessary aid to enterprises;

(3) To effect the unity and control of the monetary system, to perfect the various financial organs, and to assist in the development of the credit system.

The main business of the Central Bank of Manchou consists of the following:

(1) To discount or purchase Government bills.

(2) To make loans on the security of gold or silver bullion, or of foreign money.

(3) To receive money on deposit, and to make overdraft.

(4) To buy and sell gold and silver bullion, and foreign money.

(5) To take charge of gold and silver bullion, foreign money, precious articles, bills and bonds, etc.

(6) To make loans on the security of Government bills, or other bills or bonds guaranteed by the Government.

(7) To make loans generally on safe security.

(8) To collect money on bills for banks and firms having accounts with the Bank.

(9) To draw cheques and documentary drafts.

Besides the above the Bank is authorized to purchase national bonds, provincial bills and bonds, also valuable papers specified by the Government.

Table 2. Principal Accounts of the Central Bank of Manchou

(In M¥1,000)

	Capital				Deposits	
	Authorized	Paid-up	Reserves	Notes issued	Gov't deposits	General deposits
1932 Dec.	30,000	22,500	...	151,865	20,258	20,032
1933 June	30,000	22,500	120	112,263	53,079	43,934
" Dec.	30,000	15,000	285	129,223	32,852	38,674
1934 June	30,000	15,000	525	100,540	54,867	72,311
" Dec.	30,000	15,000	777	168,332	51,210	50,160
1935 June	30,000	15,000	1,050	113,692	73,476	63,870
" Dec.	30,000	15,000	1,380	178,655	73,734	78,199
1936 June	30,000	15,000	1,730	133,864	99,864	88,101
" Dec.	30,000	15,000	2,080	254,243	113,576	112,005
1937 June	30,000	15,000	2,430	178,728	108,875	139,749
" Dec.	30,000	15,000	2,880	307,489	133,095	132,485
1938 June	30,000	15,000	3,330	274,634	133,933	169,850
" Dec.	30,000	15,000	3,780	425,738	164,631	222,218
1939 June	30,000	15,000	5,030	387,887	140,801	250,988

(Continued)	Debts	Advances Advance to Gov't	 General advance	Securities	Bullion & foreign currencies
1932 Dec.	21,212	23,500	100,427	44,709	24,214
1933 June	20,202	19,100	89,767	48,106	17,498
" Dec.	18,264	19,100	84,798	50,320	27,985
1934 June	18,348	19,100	90,904	57,289	37,080
" Dec.	20,669	24,600	140,492	58,973	38,538
1935 June	17,307	34,746	112,736	58,653	40,490
" Dec.	18,000	52,946	118,054	60,050	50,448
1936 June	16,000	51,256	105,684	53,441	44,294
" Dec.	16,000	61,700	135,659	88,588	43,423
1937 June	14,000	42,500	137,799	99,372	46,738
" Dec.	14,000	36,855	175,714	194,134	54,012
1938 June	12,000	32,555	213,406	269,738	27,959
" Dec.	12,000	109,493	310,504	323,950	107,468
1939 June	10,000	109,493	348,046	315,426	60,452

Industrial Bank of Manchou

The Industrial Bank of Manchou was established on December 7, 1936 with a capital of ¥30,000,000 in accordance with the Industrial Bank of Manchou Law promulgated on December 3, 1936, and opened to business on January 1, 1937. A half of the capital is paid up (the subscription of this amount being taken up evenly by the Government of Manchoukuo and the Bank of Chosen). The Bank was organized by the amalgamation of the branch offices of the Bank of Chosen and the head and branch offices of the Bank of Manchou and the Bank of Shoryu, numbering over 50. It has for its object securing the smooth circulation of money and supplying funds necessary for the opening up of industry. For the attainment of the purpose the Bank makes long term and low interest loans not only to commerce but also to the manufacturing and all other industries. To carry out such a type of business the Bank cannot rely on deposits alone for the resources. For this reason it is authorized by the Government to issue Industrial Debentures to the extent of fifteen times the amount of the paid-up capital. In case such debentures are issued abroad, the Government will guaranty the payment of the principal and interest thereon. This is one of the most important privileges granted to the Bank in order to facilitate the securing of long-term credits. Thus, with the organization of the Industrial Bank of Manchou the system of long-term credit was firmly established. Besides maintaining long-term loans, the Bank carries on almost the same line of business as is done by commercial banks. Therefore, the Bank is open to conduct all the items of business which were done by the Bank of Chosen, the Bank of Manchou and the Bank of Shoryu, namely, discounting and negotiating bills of exchange, advancing money on the security of reliable things or for reliable guaranty, receiving various deposits, representing bills for collection for their clients. The Bank is able to subscribe to or take up the issue of local or company debentures which are intended to open up industry in Manchoukuo. In addition, the Bank is entitled to finance the enterprise of a joint-stock company by subscribing to or by taking up the issue of its shares with approval of the Minister of Finance.

With approval of the Minister of Finance the Bank may also advance money without security to a corporation intended for the public benefit, or a juridical person or association conducting industry without profit gaining purposes, or a company with the object of opening up industry in Manchoukuo.

The Bank has its head office in Hsinking and 36 branches and 12 agencies as in January, 1939.

Table 3. Principal Accounts of the Industrial Bank of Manchou

(In M¥1,000)

	Authorized capital	Reserves	Debentures issued	Deposits	Debts
1937 June	30,000	...	...	210,917	74,224
" Dec.	30,000	350	...	243,478	94,520
1938 June	30,000	925	1,995	331,336	100,601
" Dec.	30,000	1,535	15,987	388,483	113,724
1939 June	30,000	2,145	28,975	529,300	92,748

(Continued)	Paid up Capital	Advances	Securities	Deposits to Central Bk.	Cash on hand
1937 June	15,000	186,284	75,394	31,027	3,535
" Dec.	15,000	258,994	81,203	11,294	3,947
1938 June	15,000	288,527	150,213	4,843	7,884
" Dec.	15,000	412,419	120,616	10,865	
1939 June	15,000	527,242	120,481	31,928	

Banking Law.—The Banking Law of Manchoukuo was promulgated on November 9, 1933. The full text of the Law will be found on page 743, Japan-Manchoukuo Year Book, 1938 issue.

Ordinary Banks

Under the former regime, the financial facilities in Manchuria used to be in an extremely disorderly condition, with neither connection or cooperation between them nor any Government control over them—a situation which greatly inconvenienced the inhabitants and seriously impeded the industrial development of the coutnry. Under these circumstances, the Manchoukuo Government, recognizing the urgent necessity of exercising proper control over the disorderly financial facilities for the benefit of the public as well as for promoting the sound development of industries, promulgated the Banking Law on November 9, 1933. This Law stipulated that all financial facilities engaging in (1) accepting deposits and making advances or discounting of bills in addition, and (2) transactions in exchange, will be regarded as banks and will have to obtain the necessary permit from the Minister of Finance to carry on banking business. Thus, "yinchang", "chienpu" and 'yinlu", being treated as banks, were required to obtain the Finance Minister's permit. As their organization is imperfect and not a few of them possess small capital, every possible assistance is being given by the Government to these newly recognized banks with a view to facilitating their development and to improving the situation in the country thereby.

Table 4. Statistics of Deposits & Loans (Excluding Central Bank of Manchou)

(A) Deposits Classified

(Unit: M¥1,000)

Banks		Other Bank's Money	Government's Money	Fixed Deposits	Current Deposits	Special Current	Notice	Total Deposit
Industrial Bank of Manchou	1937 June..	32,980	815	79,919	29,973	30,231	32,194	210,918
	" Dec. ..	36,384	15,020	85,564	38,588	32,297	30,910	243,478
	1938 June..	37,262	17,486	85,503	52,752	40,414	88,645	329,509
	" Dec. ..	41,779	19,691	115,037	77,605	48,851	78,349	384,664
	1939 June..	....	....	168,857	101,699	48,776	86,336	429,020
Ordinary Banks	1937 June..	....	....	6,002	6,698	3,189	360	17,056
	" Dec. ..	508	113	6,222	8,372	4,382	828	22,515
	1938 June..	1,072	114	21,196	11,449	8,744	1,484	45,696
	" Dec. ..	1,120	125	16,215	16,854	12,224	1,607	49,546
	1939 June..	....	....	17,906	24,958	15,195	1,796	62,009
Japanese Banks	1937 June..	....	....	55,179	67,445	8,014	29,573	161,261
	" Dec. ..	55,635	3,959	34,803	22,495	9,641	15,128	142,856
	1938 June..	40,255	5,496	32,731	25,474	6,877	16,465	128,098
	" Dec. ..	29,620	6,412	41,382	32,834	13,171	22,539	146,380
	1939 June..	....	....	60,608	59,304	12,986	46,010	179,708
Chinese Banks	1937 June..	....	—	13,517	5,657	4,910	73	25,549
	" Dec. ..	1,079	—	10,561	3,134	4,124	50	20,274
	1938 June..	605	—	9,083	2,747	3,352	126	17,487
	" Dec. ..	310	—	8,488	3,785	3,423	175	17,560
	1939 June..	....	....	6,811	4,371	3,197	455	15,764
European Banks	1937 June..	—	—	1,966	7,062	2,699	180	12,023
	" Dec. ..	—	—	1,213	11,016	2,419	1,248	16,031
	1938 June..	—	—	1,562	17,516	2,361	356	22,052
	" Dec. ..	—	—	1,771	10,085	2,047	77	14,046
	1939 June..	....	....	2,455	10,468	2,189	405	15,702
Total	1937 June..	32,980	815	156,582	116,835	49,042	62,381	426,806
	" Dec. ..	93,608	19,091	138,364	83,605	52,863	48,164	445,152
	1938 June..	79,195	23,096	150,075	109,938	61,749	107,076	542,841
	" Dec. ..	72,830	26,228	182,893	141,164	79,716	102,748	612,196
	1939 June..	....	....	256,638	200,801	82,343	135,003	702,203

(B) Loans Classified

(M¥1,000)

		Advances to Other Banks	Advances to Public Bodies	General Advances	Overdrafts	Bills Discounted	Total
Industrial Bank of Manchou	1937 June	17,650	4,517	123,380	29,716	11,020	186,284
	” Dec.	17,700	10,494	161,434	47,002	22,366	258,995
	1938 June	17,380	15,927	178,883	54,702	21,639	288,531
	” Dec.	16,985	25,633	243,362	94,264	32,239	412,484
	1939 June	....	....	341,285	55,286	20,166	464,885
Ordinary Banks	1937 June	....	....	28,373	9,667	1,806	39,847
	” Dec.	687	25	27,980	8,592	2,612	41,033
	1938 June	403	37	49,505	13,608	3,742	68,331
	” Dec.	1,242	12	52,992	12,476	4,445	73,339
	1939 June	....	....	52,389	13,759	5,135	73,217
Japanese Banks	1937 June	....	....	47,602	27,610	56,958	132,170
	” Dec.	8,367	2,455	47,576	50,415	113,246	220,083
	1938 June	15,013	2,440	41,502	48,304	117,934	225,197
	” Dec.	13,801	2,890	66,068	105,755	169,574	358,088
	1939 June	....	....	118,648	109,480	114,366	345,663
Chinese Banks	1937 June	....	—	9,068	6,068	3,063	21,199
	” Dec.	349	—	3,154	7,770	2,403	17,679
	1938 June	413	—	3,680	8,717	1,523	18,068
	” Dec.	391	—	3,372	7,953	3,280	18,750
	1939 June	....	—	4,042	6,344	873	13,801
European Banks	1937 June	....	—	6,107	15,149	4,594	21,849
	” Dec.	2,355	—	3,135	13,520	9,230	29,187
	1938 June	974	—	4,557	14,873	4,996	25,590
	” Dec.	569	—	2,933	12,513	2,963	19,139
	1939 June	....	—	4,493	7,145	804	12,442
Total	1937 June	17,650	4,517	210,530	91,210	77,442	401,350
	” Dec.	29,478	12,974	243,280	127,700	149,957	568,976
	1938 June	34,182	18,404	278,130	140,203	149,834	625,715
	” Dec.	32,988	28,535	368,727	232,960	212,503	881,799
	1939 June	....	....	520,857	192,014	141,344	910,001

Table 5. Principal Banks in Manchoukuo

(1939)

	Head Office	Capital (M¥1,000)	No. of Branches	No. of Sub-branches	No. of Agents
Special Banks:					
Central Bank of Manchou	Hsinking	M¥30,000	4	142	..
Industrial Bank of Manchou	”	30,000	36	12	..
Domestic Banks:					
Mukden Commercial & Industrial Bk.	Mukden	2,200	1	3	2
Mukden Commercial Bank	”	1,000	1	3	2
Mukden Exchange Bank	”	1,000	1	—	—
Shihhokung Bank	”	500	—	—	—
Nikka Bank	Tiehling	500	—	1	—
Yingkow Commercial Bank	Yingkow	1,000	—	—	1
Chenhsing Bank	”	1,175	—	—	1
Kungcheng Bank	Kirin	1,000	2	—	16
Eastern Frontier Commercial Bank .	Antung	2,500	—	—	—
Hsiehcheng Bank	”	1,000	—	—	1
Mutankiang Commercial Bank	Mutankiang ...	500	1	—	—
Kengtsu Bank	Harbin	500	2	—	—
Futeh Bank	”	500	14	—	—
Chungtai Bank	”	500	3	—	—
Tienho Bank	”	500	13	—	—
Harbin Commercial Bank	”	500	—	—	—
Ifa Bank	Hsinking	1,000	2	—	14
Itung Commercial Bank	”	1,000	2	—	5
Hsinking Bank	”	1,000	—	—	1
Japanese Banks:					
Yokohama Specie Bank	Japan	¥100,000	4	1	—
Oriental Development Co.	”	50,000	4	1	—
Other Banks:					
Bank of China	China	S$40,000	1	9	6
Bank of Communications	”	10,000	1	6	1
Hongkong Shanghai Bank	Hongkong	HT50,000	1	—	1
Chartered Bank of India, Australia & China	London	£3,000	1	—	—
National City Bank of N.Y.	U.S.A.	US$127,500	1	—	—

Foreign Banks

Several influential foreign banks, representing chiefly Japanese, British, American and Chinese interests are located in Manchoukuo. By far the most important are the Japanese banks. In June, 1939 deposits in Japanese banks in Manchoukuo and Kwantung Province aggregated over 183 million yen as compared with roughly 15 million yen for European and American banks combined and 16 million yen for Chinese banks.

Popular Financial Organs

Pawn-shops.—As a financial organ of the masses, pawn-shops called "tangpu" are extensively utilized and are as influential as the ordinary banks. An investigation made by the Central Bank of Manchou in May 1939 of 217 out of 1,056 pawn-shops, showed that their total outstanding advances amounted to the sum of M¥54,020,276, which compared with that of the same period of 1938, showed an increase of M¥16,996,227. The Central Bank of Manchou, on the occasion of its establishment, amalgamated the three old provincial banks and the Frontier Bank, which managed many subsidiary enterprises, including pawn-shops. In June 1933, a year after its establishment, the Central Bank founded a corporation named the Tahsing Company to engage chiefly in pawn-broking. To this new company was transferred all the pawn-shops operated and controlled by the old banks. By making advances to this new concern, the Central Bank indirectly controls the business of the pawn-shops throughout the country.

Rural Credit Association.—During the former regime, there were no officially recognized rural credit organs, and the peasants who comprised 80 per cent of the population, were exploited by usurers, "liangchan" (houses engaged in the wholesale business and warehousing of cereals), and dealers in sundry goods, whose exorbitant terms on loans were beyond expression. Simultaneous with the drastic fall in prices of agricultural products after the world-wide economic depression, the way for advancing funds to the farming population was blocked, and thereby the development of the agricultural industry was seriously impeded.

Various plans for rehabilitation of the impoverished farming communities by supplying them with funds were studied by the Manchoukuo authorities and it was decided that the establishment of rural credit associations was, in view of the conditions existing in Manchuria, the most suitable policy. As a result, the Government experimentally established two Rural Credit Associations in Fengtien Province in 1933, one each in Shenyang-hsien and Fuhsien. The experiment turned out to be most encouraging and many similar associations have been founded since in various parts of the country. The success of these organizations led the Government to promulgate the Law Governing Rural Credit Associations in September 1934, and the Federation of Rural Credit Associations was established in Hsinking under the new Law as a guiding financial organ for the Associations. The Rural Credit Associations are corporate juridical persons whose members are composed of farmers living in fixed areas. According to the Law Governing Rural Credit Associations, the nature of their business and their organization are as follows:

1. Business:
   - (a) Advancing necessary funds to the members for their economic rehabilitation, the amount being up to 200 yuan in case of loans without collateral, and up to 500 yuan in case of loans on security.
   - (b) Receiving deposits from the members.
   - (c) Receiving fixed deposits from the members.
2. Organization
   - (a) Authorization of the Minister of Finance to be necessary for their establishment after legal formalities have been taken.
   - (b) Each member to be required to invest a fixed amount (from 5 yuan to 30 yuan). Each member, however, to be given equal voting right.
   - (c) General assembly of the members to

be held so as to act as the highest organ for the execution of their business.

(d) The Minister of Finance to supervise the general affairs of the Associations.

In other words, the Rural Credit Associations, conforming to the spirit of mutual assistance of the members, hope to develop and improve rural economy through financial aid. With much zeal the Manchoukuo Government is endeavouring to promote the development and popularization of these organizations by granting subsidies and making loans to them, as well as by decreeing the Central Bank of Manchou to render financial assistance to the Federation of Rural Credit Associations. According to an investigation made by the Central Bank of Manchou, there were 125 such Associations at the end of June, 1939, with a total membership of 1,305,227. The amount of advances made by these Associations aggregated M¥111,215,000.

Table 6. Other Financing Organs (Credit Associations and Unions)

(Amount in M¥1,000)

(A) Kinyu Gassakusha

Dec.	No. of Assn.	Membership	Capital	Loans	Deposits Total	Deposits Index*	Advances Total	Advances Index*
1934	13	15,307	157	1,444	457	10	1,747	18
1935	82	86,975	465	6,300	2,103	46	6,328	64
1936	103	142,823	761	7,312	5,783	127	8,905	91
1937	107	234,439	1,217	12,444	11,138	244	15,099	154
1938	126	514,468	2,030	23,378	19,829	435	27,153	276
1939 (June) ...	125	1,305,227	3,703	101,355	31,692	695	111,215	1,130

(B) Kinyu Kumiai

Dec.	No. of Assn.	Membership	Capital	Loans	Deposits Total	Deposits Index*	Advances Total	Advances Index*
1934	22	12,241	999	2,302	4,858	78	6,066	74
1935	22	13,624	1,160	2,350	5,682	91	7,348	90
1936	22	15,022	1,316	3,560	6,938	111	9,860	121
1937	22	16,502	1,465	4,700	6,818	158	12,664	155
1938	25	20,290	1,054	4,807	15,095	242	14,596	179
1939 (June) ...	25	22,190	1,622	4,994	18,554	298	17,839	215

(C) Kinyu Kai

Dec.	No. of Assn.	Membership	Capital	Loans	Deposits Total	Deposits Index*	Advances Total	Advances Index*
1936	29	62,114	747	2,782	1,630	117	4,186	97
1937	35	78,007	931	3,467	2,120	152	4,879	113
1938	38	86,723	1,047	5,974	3,076	220	7,744	180
1939 (June) ...	38	107,683	1,184	12,616	4,161	299	15,211	350

Note: * Monthly average of 1936 taken as 100.

Monetary Advances to Industries

Advances to the industries of Manchoukuo by the various monetary organs amounted to M¥1,589,083,000 showing an increase of roughly ¥659,000,000 in June, 1939 as compared with the same period of 1938. Loans were largest to the commercial enterprises, followed by the agricultural industry. A notable trend was the increasing activity of the credit associations, and the advent of the Industrial Bank of Manchou whose advances amounted to M¥395,498,000 in June, 1939. Advances by European and American banks, combined, showed a considerable decrease in 1938 over 1937.

Table 7. Loans Classified By Purposes

(M¥1,000)

		Commerce	Industries	Agri-culture	Mining	Others	Total
Industrial Bank of Manchou	1937 June ...	118,692	24,178	2,042	....	41,370	186,284
	" Dec. ...	137,680	44,270	2,578	1,921	54,845	241,294
	1938 June ...	126,352	63,680	2,882	5,410	72,826	271,151
	" Dec. ...	170,234	110,714	6,849	8,111	99,590	395,498
Ordinary Banks	1937 June ...	30,574	3,275	435	....	5,562	39,847
	" Dec. ...	32,429	4,486	364	11	3,057	40,347
	1938 June ...	55,952	6,680	686	47	4,562	67,928
	" Dec. ...	59,362	8,050	605	43	4,035	72,097
Japanese Banks	1937 June ...	122,248	3,085	1,743	....	5,095	132,170
	" Dec. ...	196,053	9,770	1,678	30	6,164	213,696
	1938 June ...	193,128	11,161	1,249	33	4,645	210,183
	" Dec. ...	325,277	13,437	1,316	—	4,357	344,287
Chinese Banks	1937 June ...	16,957	1,069	194	—	2,979	21,199
	" Dec. ...	12,730	817	270	—	3,512	17,330
	1938 June ...	13,192	1,018	245	—	3,199	17,654
	" Dec. ...	14,239	906	262	—	2,952	18,359
European Banks	1937 June ...	20,868	833	—	—	148	21,849
	" Dec. ...	21,173	841	—	—	4,817	26,832
	1938 June ...	19,879	869	—	—	3,868	24,616
	" Dec. ...	13,835	898	—	—	3,837	18,570
Total	1937 June ...	309,338	32,441	4,413	....	55,157	401,350
	" Dec. ...	400,065	60,185	4,892	1,962	72,394	539,499
	1938 June ...	408,504	83,409	5,063	5,458	89,100	591,533
	" Dec. ...	582,946	134,006	3,933	8,154	114,772	848,811
	%	68.9%	15.8%	0.5%	1.0%	13.5%	100%

Postal Savings

Postal savings in Manchoukuo have risen with marked strides in recent years. Total deposits at the end of June, 1939 amounted to M¥77,285,000 in Manchoukuo and M¥57,916,000 in Kwantung.

Table 8. Statistics of Postal Savings

	Manchoukuo Side					Japanese Side				
	Amount of deposits (¥1,000)	Amount of Withdrawals (¥1,000)	End of year No. of depositors	End of year Amount of deposits (¥1,000)	Deposits per capita (Yen)	Amount of deposits (¥1,000)	Amount of Withdrawals (¥1,000)	End of year No. of depositors	End of year Amount of deposits (¥1,000)	Amount of deposits per capita (Yen)
1933 ...	401	184	10,769	217	20.14	....	....	378,764	32,671	86.25
1934 ...	1,319	918	21,314	631	29.61	38,769	32,108	437,636	38,249	87.40
1935 ...	4,005	2,300	72,675	2,336	32.14	45,161	38,622	522,879	44,771	85.62
1936 ...	11,211	6,438	103,909	7,107	68.39	47,918	42,319	595,031	50,019	84.06
1937 ...	22,628	13,146	204,643	17,304	84.50	47,480	41,032	664,559	57,737	86.88
1938 ...	77,031	42,722	638,003	51,191	80.24	49,004	49,316	625,965	57,941	92.56
1939* ..	66,056	40,384	926,694	77,285	83.40	25,560	25,586	612,435	57,916	94.57

Note: * June end.

Issue of P. O. Money Orders.—The issue of post office money orders has been increasing of late years. Particulars are as follows:

Table 9. Statistics of Postal Money Orders

(Unit: ¥1,000)

Year End	Domestic Issued	Domestic Paid	Manchoukuo-Japan Issued	Manchoukuo-Japan Paid	Manchoukuo-China Issued	Manchoukuo-China Paid	Others Issued	Others Paid	Total Issued	Total Paid
1934 ...	7,576	7,679	3,484	503	...	...	...	...	11,060	8,182
1935 ...	9,536	9,540	6,862	1,109	1,993	679	...	...	18,391	11,328
1936 ...	15,790	15,374	15,901	4,578	5,201	1,170	0.3	3	36,892	21,125
1937 ...	37,061	29,656	27,825	8,026	5,001	1,440	0.4	3	69,888	39,125
1938 ...	73,962	61,146	71,039	18,130	1,345	1,031	168.1	1,293	146,514	81,600
1939* ..	41,476	40,809	47,643	11,916	1,080	893	24.1	637	100,369	54,255

Note: * January to June.

Interest Rate

The interest rates quoted by the Central Bank of Manchou is as follows

Table 10. Interest Rates at the Central Bank of Manchou

(% per Annum)

(A) Deposits

	Fixed					
	Three Months	Six Months	One Year	Current Account	Special Current Account	Deposit at Notice
1932 Sept. 1	4.8	6.0	7.2	1.825	3.029	3.650
1933 July 1	3.6	4.8	6.0	1.095	2.555	2.920
1934 May 1	3.5	4.5	5.0	1.095	2.555	2.920
1935 Apr. 1	—	5.0	6.0	1.095	2.920	3.650
1936 Jan. 1	—	4.5	4.5	1.095	2.920	3.650
1936 May 1	—	4.2	4.2	1.095	2.555	3.285
1937 Jan. 1	—	3.8	3.8	0.730	2.190	2.555
1938 Nov. 1	—	3.6	3.6	0.730	2.190	2.555

(B) Loans

Secured by:	Government Bonds	Discounts	Gold & Silver	Other Bonds & Shares	Commodities	Warehoused cereals	Real Estate	Other Reliable securities	Overdrafts
1932 Sept. 1	——	10.329	——	10.329	12.045	12.045	12.045	12.045	13.140
1933 July 1	——	8.030	8.030	8.395	9.125	9.125	9.125	9.125	9.125
1934 May 1	——	6.935	6.935	7.300	8.030	8.030	8.030	8.030	8.030
1935 May 11	5.840	6.205	6.205	6.570	7.300	7.300	7.300	7.300	7.300
1937 Jan. 1	4.745	5.475	5.475	5.475	6.570	6.570	6.570	6.570	6.570

Bill Clearings

The largest center of bill clearings in Manchuria is the city of Dairen. In 1938 the amount of bills cleared in the three cities of Hsinking, Mukden and Dairen stood at M¥4,242,383,710, of which Dairen accounted for M¥3,211,905,263.

Table 11. Amount of Bills Cleared at Clearing Houses

	Hsinking		Mukden		Dairen		Total	
	No. of bills	Amount (M¥1,000)	No. of bills	Amount (M¥1,000)	No. of bills	Amount (M¥1,000)	No. of bills	Amount (M¥1,000)
1934	16,856	21,694	92,182	91,992	560,446	2,304,557	669,484	2,418,243
1935	100,450	100,676	136,926	201,716	561,280	2,681,812	798,656	2,984,204
1936	142,624	191,237	262,855	379,212	572,843	2,269,473	978,322	2,839,923
1937	145,308	250,882	241,918	339,059	549,538	2,263,811	936,764	2,853,752
1938	204,425	468,228	328,993	562,257	618,036	3,211,905	1,151,454	4,242,390
1938 (Jan.—June)	88,431	207,917	140,941	226,941	295,620	1,405,509	525,012	1,840,387
1939 (Jan.—June)	114,635	311,537	226,395	423,989	376,028	2,266,117	717,058	3,001,644

INSURANCE

Japanese Enterprise

The development of the insurance business in Manchuria is comparatively of recent origin, dating back as it does to the termination of the Russo-Japanese War. Prior to the war insurance was under foreign management and very inactive. Insurance under Japanese management was started in Manchuria soon after the Russo-Japanese War when in February, 1906 an agency of the Meiji Life Insurance Company was opened at Dairen. Property insurance under Japanese management in Manchuria was initiated in the following year when an agency was set up at Dairen by the Nippon Fire Insurance Company and the Kyodo Fire Insurance Company. Owing to the ever increasing number of Japanese residents and their economic development, the insurance business in Manchuria eventually attained the present growth. Barring the Dairen Fire and Marine Insurance Company whose head office is located at Dairen, in the districts under the former Japanese jurisdiction there are more than 100 branches and agencies of Japanese insurance companies registered in Japan.

Life Assurance.—Excepting the amount of contracts entered into with a very small number of companies under Chinese management, the greater portion of life policies issued in Manchoukuo are represented by Japanese concerns. The war boom proved a great impetus to the life assurance business in Manchuria. All industries have been affected by the post-war depression, but life assurance has steadily developed without feeling the effects of the depression. This is ascribed in part to the gradual spread of a knowledge of insurance among the Manchus.

Table 12. Results of Insurance Companies in Kwantung Province and S.M.R. Zone

		No. of cos.	Premium receipts (M¥1,000)	Claims paid (¥1,000)	Contracts in force	
					No.	Amount (¥1,000)
Life	1932	147	2,700	1,367	40,142	79,559
	1933	155	3,413	1,323	48,451	98,305
	1934	160	10,835	2,166	65,562	133,645
	1935	163	4,387	1,352	72,352	144,619
	1936	156	5,185	1,513	90,299	175,983
	1937	39	3,701	922	48,538	100,250
Property	1932	203	1,953	1,079	70,288	521,171
	1933	220	2,579	901	81,332	636,530
	1934	242	5,317	1,983	117,429	827,815
	1935	246	4,941	2,098	82,601	647,434
	1936	241	3,014	1,023	89,081	745,519
	1937	76	2,827	743	67,118	554,792
Others	1932	15	156	18	3,187	3,713
	1933	16	221	16	3,612	4,175
	1934	15	126	26	3,975	4,810
	1935	18	271	27	5,602	6,873
	1936	22	388	4	8,275	9,798
	1937	4	233	2	5,615	6,795
Total	1932	365	4,808	2,464	113,617	904,443
	1933	391	6,213	2,239	133,395	739,010
	1934	417	16,278	4,176	186,966	966,271
	1935	427	9,599	3,477	160,528	798,926
	1936	419	8,587	2,540	187,655	931,300
	1937	119	6,762	1,667	121,271	661,837

Note: Figures for 1937 are for Kwantung only.

Postal Life Insurance.—A law regulating postal life insurance was drafted by the Manchoukuo Department of Communications and approved at the State Council meeting on August 30, 1937. The main points of the postal insurance of the Manchoukuo Government follows:—

1. Simple Government life insurance, as a non-commercial enterprise, will be taken charge of by the Communications Department through postal organs. All Manchu people are eligible for the insurance policy (Japanese, too).

2. The fund accumulated as premiums on the policies will be invested in profitable and sound enterprises, such as to promote public welfare.

3. A committee will be established as a consultative body on the use of the reserve fund.

4. Life insurance will be limited to above 50 yuan and less than 450 yuan.

   A. Whole-term insurance: Payments for 10 years, for 20 years or for life.

   B. Ordinary endowment insurance: Payments for 10 years and maturity in the 15th year. Payments for 15 years and maturity in the 20th year.

6. Ages: From 15 to 60 years.

7. Payments of insurance: Monthly payment at post offices.

8. The insured will not be medically examined but will be inspected at a personal interview at the post offices where insurance policies will be issued.

9. The Government will do its utmost for advancement of the life insurance management and a fair dividend will be delivered to all insurance holders in future, whenever the insurance enterprise earns a surplus.

Property Insurance.—As stated above, soon after the termination of the Russo-Japanese War, Japanese fire insurance companies established agencies at Port Arthur. Owing to the fact that later Dairen developed so remarkably that it became the economic centre of Manchuria, Japanese insurance companies which had established their agencies elsewhere all removed them to Dairen. Especially remarkable was the activity shown by foreign transport and marine insurance companies, whose attention had been drawn to active shipments of Manchurian products from the port of Dairen. In fire insurance too, foreign companies exercised predominant influence as the Japanese companies were still feeble in foundation. Since the conclusion of the World War, however, the relative positions of the Japanese and foreign firms have been reversed.

The Dairen Fire Insurance Company referred to above was established in August, 1922 with a capital of ¥2,000,000 (of which ¥500,000 was paid up) with the assistance of capitalists in Japan, the Tokyo Marine Insurance Co., and the Taisho Marine Insurance Co., and the South Manchuria Railway Co.

Kwantung Province Fire Insurance Society

In sympathy with a swift expansion of the financial world of Japan, the competition between Japanese and foreign insurance companies in Manchoukuo had become so severe as to steadily force down premium and in turn lower their respective positions. At last all companies began to urge the crying need of preventing a lowering of premium. As a result, on December 17, 1934 the Kwantung Province Fire Insurance Society was established at Dairen and on February 1, 1935, an agreed upon rate of premium which was on an average 35 per cent. higher than had hitherto ruled, was put in force.

New Insurance Business Law

The Insurance Business Law of Manchoukuo, comprising thirty-seven articles was promulgated on December 27, 1937 for immediate enforcement. According to the law only insurance companies which obtain Governmental permit can be engaged in insurance business in Manchoukuo (Article 1). They are required to obtain Governmental permit when they intend to establish their agencies (Article 7).

When persons with their principal companies, head-offices or permanent addresses outside of Manchoukuo intend to start insurance business in its territory, they are required to establish their branch offices within Manchoukuo and to obtain Governmental permit. Persons who have obtained permits in accordance with the above provision are to be treated as insurance companies stipulated in this law. But in this case, the Government is authorized to provide, by order, special regulations in spite of the Articles 9, 10, 12, 15, 17 and 22. The Minister of Finance and Commerce is authorized to provide necessary restrictions to the Governmental permit mentioned above (Article 23).

In the supplementary, it is stipulated under Article 34 that, those persons who are already engaged in insurance business at the time of enforcement of this law are required to apply for Governmental permits by June 30, 1938. The same applies to agencies (Article 35). They, however, may continue their insurance business until they obtain Governmental permit or until their application is rejected (Article 36).

Establishment of Manchuria Fire and Marine Insurance Company

The Manchuria Fire and Marine Insurance Company held its inaugural meeting on December 1, 1937 at Hsinking. It has a monopoly over the insurance business in Manchoukuo, side by side with the Manchuria Life Insurance Company. In addition to its primary business, the Company is required to play an important role in checking the flight of capital and in strengthening the domestic money market in concert with the Central Bank of Manchou, Industrial Bank, Manchuria Life Insurance Company, etc. Important problems created by the establishment of this Company concerning foreign insurance firms in Manchoukuo are dealt with in the Manchoukuo Insurance Business Law.

The Company is capitalized at five million yuan, one-fourth of which is paid-up. With its headquarters in Hsinking, the Company will have its branches in Dairen, Mukden and Harbin. The capital of the Company was subscribed as follows:

Dairen Fire Insurance Company	M¥1,000,000
Kokusai Unyu Kaisha	100,000
Tahsing Kungssu	100,000
Industrial Bank of Manchou	100,000
Tokyo Marine Insurance Company	732,500
Other 33 Fire Insurance Firus in Japan	2,967,500
Total	5,000,000

The amount of policies contracted by the Manchuria Fire & Marine Insurance Company up to December 31, 1938, totalled M¥613,819,000, representing, 173,000 policies. The total value of policies contracted in the same year by the Company amounted to about 25 per cent of the aggregate value of insurance effected against losses in Manchuria during 1938. The ratio for 1939 is expected to rise to 35 per cent in view of the fact that the company's business for the first four months ending April 30, 1939 already amounted to as much as that for the whole year of 1938.

CURRENCY

General

Manchoukuo is at present on a managed currency system. The state currency was established and enforced by the Currency Law promulgated in June, 1932, the text of which is given on Page 729, of the Japan-Manchoukuo Year Book, 1938 issue. The yuan nominally containing 23.91 grammes of pure silver is the unit of the value. The right of minting coins and of issuing notes is an exclusive right of the Government. It is exercised by the Central Bank of Manchou by order of the Government. The yuan is divided decimally into the "Chiao" (1/10 of the yuan), the "fen" (1/100 of the yuan) and the "li" (1/1000 of the yuan).

The Central Bank of Manchou must have a reserve fund in gold or bullion, reliable foreign money, or gold or silver money deposited with foreign banks, corresponding to not less than 30 per cent. of the total value of the note issue of the Bank. The Bank should have a security reserve in the form of public bonds, or bills issued or guaranteed by the Government, or other reliable bills or bonds against the note issue beyond the currency reserve mentioned above.

Currency Stabilization

The Central Bank of Manchou at first followed the policy of maintaining the value of the Yuan equal to the price of 23.91 grammes of pure silver and was able to retain its stability through the control of money in circulation and also through transactions in silver and exchange on Shanghai. However, it was not long before it was found extremely disadvantageous to continue linking the yuan with silver, owing to the United States embarking upon a silver purchasing programme. Affected by the United States' policy of boosting the price of the white metal, the price of silver, dissociating itself from general commodity prices, began to move upward from the autumn of 1934, and as a consequence the equilibrium between silver and commodity prices was broken, causing a rise in currency values and a fall in commodity prices in the countries with silver currencies. In order to reduce the disturbing effects of the violent fluctuations in the value of silver to the minimum, the Central Bank watched the developments in the silver situation and endeavoured to prevent any violent changes in currency values and commodity prices by managing its currency so that its rise was limited to only one half of that of silver. In this way the Central Bank, while keeping an eye on the silver situation, neither linked its currency to silver nor divorced it from the white metal. This policy was pursued until March, 1935.

In the meantime, the fluctuations in the price or silver became increasingly violent; the London bar silver quotation on April 25, 1935 advanced to about 34 pence from 32 pence or so the previous day, and rose sharply further to over 36 pence the next day, but soon dropped to around 33 pence again, manifesting a very erratic tendency. Awakening to the fact that if the national currency continued to be linked with silver, its value would rise and fall violently and cause serious disturbances to the economic world, the Central Bank finally decided to divorce the national currency from silver and shifted over to the policy of a simple managed currency, having for its object the stabilization of commodity prices. As a result the internal value of the currency was stabilized notwithstanding the drastic rise in the price of silver abroad. Commodity prices also became stable.

Meanwhile the economic relations between Manchoukuo and Japan were steadily enhanced. With the divorcing of Manchoukuo's currency from silver, this tendency was accelerated, so much so that proposals were advanced that the currencies of Japan and Manchoukuo should be controlled and unified to unite the economy of the two countries.

At the time the Manchoukuo currency was first completely divorced from silver, the Yuan retained a relatively stable value in relation to the Japanese Yen at around 107 and 108 Yen against 100 Manchoukuo Yuan. But when the Manchoukuo currency began to have a stable relation to the Japanese currency, without being influenced by the fluctuations in the price of silver, it became to be generally talked about that the Manchoukuo currency was being controlled with the object of bringing it to par with the Japanese currency. This view gradually gained ground, and the value of the national currency which had been stabilized against the Japanese Yen at around 107 to 108 Yen gradually approached the Japanese Yen in value. Thus step by step, through the months of May, June, July and August, it became closer to Yen, finally reaching parity in September, 1935. It has remained so ever since.

Issue of Bank Notes

The issue of bank notes in Manchuria is almost wholly taken up by the Central Bank of Manchou and the Bank of Chosen. The Yokohama Specie Bank, formerly influential in this line of business, has only a negligible amount of its notes in circulation in the country.

The amount of notes issued, specie reserve, etc. classified by banks are as follows:

Table 13. Notes Issued and Amount of Reserves of the Central Bank of Manchou

(Amount M¥1,000)

	Notes Issued				Reserves			Subsidiary Coins	Total
	Year end	Highest	Lowest	Average	Specie	%	Security Reserves		
1934 ...	168,333	168,333	97,855	119,630	74,819	44.4	93,514	15,772	184,105
1935 ...	178,656	179,208	108,594	136,512	92,231	51.6	86,425	20,284	198,940
1936 ...	254,243	257,191	125,270	159,480	177,181	69.7	77,062	20,449	274,692
1937 ...	307,490	317,944	171,892	211,570	208,097	67.7	99,393	22,419	329,909
1938 ...	425,738	430,145	254,370	288,267	216,309	50.8	209,428	27,159	452,897
1938 (June)	274,634	280,608	254,370	264,457	159,301	58.0	115,333	23,322	297,956
1939 (June)	387,887	400,729	369,301	381,971	198,102	51.1	189,785	30,649	418,537

Gold Purchases

The amount of gold purchased by the Central Bank of Manchou is as follows:

Table 14. Amount of Gold Purchased by the Central Bank of Manchou

	Volume (Grams)	Value (M¥)
1933 2nd half	703,060	2,053,635
1934 1st half	337,221	1,026,539
" 2nd half	862,069	2,787,878
1935 1st half	1,830,471	8,390,138
" 2nd half	2,412,694	8,394,053
1936 1st half	1,348,964	4,725,080
" 2nd half	2,259,575	7,910,689
1937 1st half	1,657,354	5,968,140
Total	11,411,408	39,156,152
Others*	2,196,091	6,218,340
Grand Total	13,607,500	45,374,494
1938 1st half	1,289,765	4,900,189
Total	14,781,350	51,897,640
Others*	2,196,091	6,218,340
Grand Total	13,607,500	45,374,494

Note: Amount of gold held before the enforcement of gold purchasing law.

Exchange Control Law

In order to prevent the flight of capital from the country and to restrict speculations in bullion and exchange, the Manchoukuo Government on November 20, 1935 promulgated the Exchange Control Law and two relative ordinances of the Department of Finance, these measures coming into force on December 10, 1935. The adoption of these measures had an exceedingly smooth effect in that the stability of commodity prices was not impaired in any way by the divorcing of the Yuan from silver. As a result, although the currency system of Manchoukuo prescribes a fixed quantity of pure silver as the unit of monetary value called the Yuan, the national currency is in fact linked with the Japanese Yen and is a "controlled currency based on the Japanese Yen." (The substance of the Exchange Control Law is given on page 720 Japan-Manchoukuo Year Book, 1938 issue.)

Table 15. Manchoukuo Yuan Foreign Exchange Rates

	On Japan		On New York		On London		On Shanghai	
	Rate (¥)	Index	Rate ($)	Index	Rate (s.d.)	Index	Rate (Yuan)	Index
1932								
July	73.19	100.0	20.10	100.0	1-1.57	100.0	95.72	100.0
December	96.82	132.3	20.19	100.4	1-2.79	108.8	100.70	105.2
Average	90.93	124.2	21.07	104.8	1-2.84	109.4	98.48	102.9
1933								
June	99.37	135.8	25.16	125.2	1-2.65	108.0	97.70	102.1
December	109.39	149.5	32.56	164.0	1-3.37	113.3	100.32	104.8
Average	101.34	138.5	25.72	128.0	1-2.62	107.7	98.41	102.8
1934								
June	107.26	146.6	31.90	158.7	1-3.06	111.0	97.82	102.2
December	109.70	149.9	31.43	156.3	1-3.23	112.2	99.00	103.4
Average	110.83	151.4	32.59	162.1	1-3.51	114.3	97.50	101.8
1935								
June	104.33	142.5	30.00	149.3	1-2.58	107.4	79.88	83.5
December	100.00	136.6	28.71	142.8	1-1.99	103.1	97.65	102.0
Average	104.77	143.13	29.92	148.8	1-2.29	107.83	86.91	90.79
1936								
June	100.00	136.6	29.33	145.9	1-2.00	103.1	98.80	103.2
December	100.00	136.6	28.50	141.8	1-1.96	102.8	97.28	101.6
Average	100.00	136.6	28.56	144.2	1-2.00	103.2	98.03	102.4
1937								
June	100.00	136.6	28.75	143.0	1-2.00	103.2	86.38	100.7
December	100.00	136.6	29.13	144.9	1-2.00	103.2	98.05	102.4
Average	100.00	136.0	28.78	143.2	1-2.00	103.2	96.31	100.6
1938								
June	100.00	136.6	28.91	143.8	1-2.00	103.2	—	—
December	100.00	136.6	27.23	136.2	1-2.00	103.2	—	—
Average	100.00	136.6	28.43	141.4	1-2.00	103.2	—	—
1939								
June	100.00	136.6	27.11	134.9	1-2.00	103.2	—	—

Revision of Exchange Control Law

In line with the decree released by the Tokyo Department of Finance revising the foreign exchange control rulings, effective July 1, 1939 the Manchoukuo Government also revised and strengthened its exchange control law limiting the exportation of Manchoukuo yuan to 500 yuan annually, effective August 1.

The main changes are as follows:

1. Till now M¥500 in cash and M¥1,000 in letters of credit making a total of M¥1,500 could be taken out of the country without a permit. Under the new ruling, a total of 500 yuan in both letters of credit and cash is allowed to be taken out without a permit.
2. Till now any amount of currency could be brought freely into Manchoukuo. The new ruling stipulates that amounts above 200 yuan must be accompanied by a Government permit.
3. Taking out of 100 yuan notes will be on a permit system.

These revisions, it is believed, will cut down non-trade payments and payments in foreign currency by Japan and Manchoukuo taken as a single unit. The new ruling will also have an advantageous effect on the control of illicit commercial practices that have been indulged in on the basis of the cheaper yen within the yen-bloc countries. In keeping with the prohibition of the export of 100 yuan notes, the North China authorities will stop all conversion of these notes into North China currency.

Prevention of Detrimental Foreign Exchange Practises

With a view to improving Manchoukuo's position regarding international payments as well as acquiring foreign currencies for the purpose of the five year industrial programme, positive measures including the promotion of exports, encouragement of industries, etc. which are already in force, was to have been supplemented in 1939 by negative measures in the form of tightening the control of foreign exchange. For this purpose, the Provisional Foreign Exchange Bureau of the Manchoukuo Government was conducting investigations. Foreign exchange control will be made stricter on the following lines:

(1) In exporting goods to third countries other than Japan and China, traders not infrequently change the destination of exchange bills from that of the goods, in order to gain inordinate profits by utilizing depreciated yen notes in Tientsin, Shanghai and elsewhere. This injuries Manchoukuo's interests, by reducing the foreign currency income of the country. So in this respect control will be made stringent.

(2) In Manchoukuo, export duties on agricultural produce are specific, while those duties on other products are assessed ad valorem. In their declaration on goods, exporters sometimes give fraudulent values. Control will, therefore, be strengthened to ensure the accuracy of the declared values.

The new regulations, it was expected, would include provisions for ensuring the sale of export bills to exchange banks in Manchoukuo as well as for the prevention of gold smuggling across land frontiers.

Abolishment of the Chaopiao

In accordance with the determined policy, the authorities of the Department of Finance, in their efforts to bring about a greater stabilization of the national currency, abolished in October, 1936 the circulation of the convertible silver yen notes, popularly known among Manchurians as chaopiao, issued by the Dairen branch of the Yokohama Specie Bank since 1906 by Imperial Ordinance No. 247. Due to their comparative stability, these silver notes enjoyed a wide circulation in all the more important cities of Mnchuria and along the South Manchuria Railway Zone during the former regime, when there were no other stable and reliable currencies, and played a very important role as a means of financing the staple produce trade and as currency for use in exchange dealings. However, as the Manchoukuo Yuan came to be stabilized and to enjoy a high degree of confidence everywhere, the chaopiao lost its raison d'etre and its abolition was considered merely a question of time. Thus, the chaopiao was abolished in Manchuria on November 1, 1936, without producing practically any adverse effects upon Manchurian economic circles.

Manchoukuo's currency unification and stabilization policy reached its final goal in December, 1936 with the establishment of the Industrial Bank of Manchou and the conclusion of an agreement between the Central Bank of Manchou and the Bank of Chosen for the complete withdrawal of the latter's notes in circulation in Manchoukuo. Simultaneously with the establishment of the Manchou Industrial Bank, all the branches of the Bank of Chosen in Manchoukuo were closed and it was decided upon that the Central Bank of Manchou withdraw the Bank of Chosen notes.

References:

Table Nos.: 1-2 a, 3 b, 4-11 a, 12 c, 13-15 a.
Key: a—Central Bank of Manchou.
b—Ind. Bank of Manchou.
c—Kwantung Bureau.

CHAPTER XIII

COMMUNICATIONS

TELEGRAPH & TELEPHONE

All forms of electric communication, including telegraphs, telephones, wireless telegraphy and wireless telephony, and radio broadcasting throughout Manchoukuo are now under the unified control and management of the Manchuria Telegraph and Telephone Company which was established on August 31, 1933, at Hsinking by virtue of an agreement signed between the Manchoukuo and Japanese Governments on March 26, 1933, the ratifications of which were exchanged on May 15, 1933. The new organ has laid out a far-reaching project for expanding and improving the communication facilities in the country.

Projects for 1939.—The Manchuria Telephone and Telegraph Company appropriated a sum of M¥30,000,000 for the expansion of its enterprises in 1939. The important projects to be undertaken are the following:

1. Continuance in the laying of the unloaded cable between Mukden and Hsinking. This project is scheduled for completion in the first half of 1940.
2. Establishment of additional telegraph circuits between Dairen and Tokyo, Dairen and Osaka, Mukden and Osaka, and Harbin and Tokyo. At the same time, new telegraph lines will be laid between the eastern part of Manchuria and North Chosen, and between Dairen and Tientsin, so as to complete the anti-Communist route in North Manchuria.
3. Inauguration of a telephoto service between Hsinking and Tokyo. Such service is already opened between Hsinking and Dairen by the M.T.T. Company.
4. Inauguration of a regular telephone service between Japan and Manchoukuo by means of unloaded cable. At the same time unloaded cables connecting Mukden with Fukuoka, Osaka and Tokyo will be laid and opened for service simultaneously, as connecting lines. This will bring the net-work of telephone lines between Manchoukuo and Japan to a high stage of development.
5. Establishment of fifty additional telegraph offices in different parts of Manchoukuo.
6. Improvement of telegraphic apparatus and installation of a number of small wireless apparatus for emergency use.

Five Year Plan.—A Five Year Plan for the expansion of the telegraphic and telephonic systems of Manchuria was inaugurated by the Government in 1937 due to completion by the end of 1941. In June 1939 the Government announced that the program for the year 1938 was completed to the extent of 81 per cent as prescribed for the year under the Plan. Failure to fulfill the prescribed expansion was ascribed to the shortage of copper, and to meet the deficiency of this material the authorities concerned intended to use aluminium to an increasing extent in 1939 so that the allotted expansion for 1939 could be carried out fully.

In telegraphs, some 7,000 kilometers of new lines will be added to the present system. The services between Hsinking and Kirin, Hsinking and Harbin, Mukden and Tsitsihar, among other places, are to be vastly improved.

Telegraph Service

The number of telegraph offices as at the end of 1937 stood at 691, showing an increase of 75 over the previous year. The length of lines as at the end of 1938 was 26,635 kilometers and the extension of wires 51,982 kilometers.

As to wireless telegraph equipments, wireless connections were opened between Hsinking and Paris and Osaka and between Mukden and Osaka, while the wireless equipments at Dairen, Harbin, Tsitsihar and other places were improved and repleted. Besides, wireless equipments were set up at important points in North Manchuria and Jehol.

For 1938 construction plans included the expansion of multiple lines. Six additional two-way lines were to be set up in North and South Manchuria while extension work was to be continued on the Antung-Mukden cable, and efforts were to be directed in establishing return lines on the Osaka-Dairen, and Tokyo-Mukden connections. Furthermore, two-way equipment was to be installed in various districts of North Manchuria with the view to linking minor towns and regions with the large towns and cities. In parallel with the expansion and increase of facilities and establishments, much attention is being given to bettering the efficiency of administrative and management functions. Pressed by the tremendous increase of population throughout the country, and by the great progress seen recently in railways and industries, 50 new telegraph offices will be established in the near future.

Other plans include the reconnecting of two-way lines at fifty or more different places, modification of the transmitting system, increase of apparatus and equipment, expansion and improvement of wireless, establishment of better connections with Europe and America with the supplementation of equipment, establishment of telegraph connection with Tientsin, over-hauling of 300 kilometers of defective lines, and many other items calling for expansion, increase or improvement.

Radiophone service between Manchoukuo and Japan was inaugurated on August 1, 1934 upon the completion of a large wireless station at Hsinking.

A long distance submarine cable, connecting Japan with Manchoukuo is under construction at a cost of ¥14,000,000. Part of the cable, or that land section between Mukden and Antung, has already been completed. The length of this section is 280 kilometers, and the non-loading cable is used.

Heretofore, international communications were carried on only at Dairen through the Dairen-Chefoo submarine cable, and at Harbin where there were wireless connections with Peking, Tientsin and Shanghai. In February, 1935, the Mukden-Tientsin telegraph service was revived, while in June of the same year, telephone connections between the two cities were resumed. In October, 1935 an agreement was signed between Manchoukuo and China for handling messages in the Japanese language.

Correspondence with Europe and America was perfected in March, 1934, using pure Japanese material and equipment. Continuous two-way radio connections with Berlin and San Francisco are available at the Hsinking wireless station, while in December, 1935, direct two-way contact with Paris was inaugurated.

Telephone Service

The number of telephone exchanges at the end of 1938 was 189, showing an increase of 55 over the preceding year. The number of telephone subscribers as at the end of 1938 was 82,630, which shows an expansion of 8,691 in comparison with the end of the foregoing year. The length of the urban telephone lines was 7,487 kilometers and the extension 42,533 kilometers. As for the suburban telephone service, the Company exerted every efforts to replete it. The length of the lines as at the end of 1938 was 17,256 kilometers and the extension 104,473 kilometers. Contrasted with the end of the previous year, the total shows an increase of 18,297 kilometers.

To meet increasing demand, plans were on foot in 1938 to establish a large number of single telephone lines in all parts of North Manchuria, while 20 telephone offices will be created to take over direct management and connections of the systems. Defective lines and equipment will be replaced in North Manchuria to effect a modern long-distance telephone system for police and civilian use. 3,200 automatic telephone offices and 2,300 exchange offices or a total of 5,500 offices will be created anew.

Radio Service

Great improvements were effected in the four broadcasting stations of Hsinking, Dairen, Mukden and Harbin. At the end of 1935 there were nineteen transmitting and receiving sets including a 100 kilowatt transmitting set at Hsinking.

The number of listeners-in as at the end of 1938 was 127,417. Compared with the end of the preceding year, it shows an increase of approximately 400,000.

Table 1. No. of Broadcasting Stations

(Jan. 1939)

		Denomination	K.W.	Principal broadcasting language	Other language
Hsinking	(A)	M T C Y	10.00	Japanese	Korean
"	(B)	M T C Y	100.00	Manchoukuoan	Mongolian
Mukden	(A)	M T B Y	1.00	Japanese	Korean
Dairen	(A)	T Q A K	1.00	Japanese	
"	(B)	T Q A K	1.00	Manchoukuoan	
"	(shortwave)	J P Y	10.00	Japanese, Manchoukuoan & English	
Harbin		M T F Y	3.00	Japanese	Russian
Mutankiang		M T G Y	0.05	Japanese	Korean
Antung		J Q B Y	0.05	Japanese	Korean

	Denomination	K.W.	Principal broadcasting language	Other language
Tsitsihar	M T L Y	0.05	Japanese	...
Yenki	M T A Y	0.2	Japanese	...
Chiamussu	M T N Y	0.05	Japanese	...
Heiho	——	—	——	...
Hailar	——	—	——	...
Chengteh	M T H Y	0.05	Japanese & Manchoukuoan	...
Chinchow	——	—	——	...
Yingkow	——	—	——	...

Table 2. Statistics of Radio Broadcasting

(A) Number of Radio Listeners-in by Nationality

	No. of Stations	Japanese	Koreans	Manchoukuoans	Others	Total
1933	3	7,143	...	415	457	8,015
1934	4	10,284	...	1,384	718	12,386
1935	4	16,651	...	2,640	473	19,764
1936	6	34,666	86	5,815	635	41,202
1937	10	70,073	1,282	16,550	971	88,876
1938	12	88,576		37,531	1,310	127,417

(B) Radio Broadcasting by Languages in 1937

(In hours)

	Japanese	Koreans	Manchoukuoan	Russian	Total incl. others
Dairen	3,136	—	1,087	—	4,230
Mukden	3,330	14	195	—	3,681
Hsinking	3,341	17	3,180	136	6,892
Harbin	3,131	—	77	849	4,064
Antung	523	39	—	—	560
Mutankiang	1,861	113	—	—	1,976
Chengteh	893	—	623	—	1,531
Total	16,215	473	5,162	985	22,936

(C) Radio Programs Classified

(As in March, 1937)

Items	*Percent to Total Broadcasting Period	Items	*Percent to Total Broadcasting Period
News	28.5%	School Broadcast	1.0%
Educational & Cultural	25.7%	Advertisements	0.5%
Children's Hour	4[illegible]%	Miscellaneous	9.1%
Musical Program	1[illegible]9%	Total	100.0%
Radio Drama	[illegible].6%	Average No. of Hours of Broadcasting per Day ...	11.48

Note: * Percentage compiled from total hours of broadcasting from the stations at Dairen, Mukden, Hsinking and Harbin.

Table 3. Assets & Liabilities of the Manchuria Telegraph & Telephone Co.

(At end of March, 1939)

ASSETS:			
Capital Stock Uncalled	¥13,750,000	Securities	1,250,000
Communications Equipments	69,610,929	Stamps	31
Miscellaneous Equipments	6,508,929	Post Office Deposits	733
Miscellaneous Accounts Receivable.	3,868,973	Total incl. others	110,055,364
Guaranty Fund	100	LIABILITIES:	
Stores Accounts	6,806,363	Capital Stock Authorized	50,000,000
Postal Transfer Savings	156,655	Legal Reserve	732,000
Bank Deposits	6,815,739	Special Reserve	2,380,000
Cash on Hand	103,644	Retirement Allowance Reserve ...	820,000
Miscellaneous Accounts paid in advance	1,055,616	Dividends Balancing Reserve	1,330,000
Securities Receipts in Pledge	7,450	Special Funds	509,350
Exchange Accounts	120,197	Depreciation Funds Reserve	11,144,550
		Bonds	29,000,000

Miscellaneous Accounts Payable	4,488,632
Guaranty Funds	1,385,973
Mutual Aid Account	237,667
Sundry Receipts Unadjusted	1,234,830
Balance brought from Previous Term	723,780
Net profit for the Year ending March	4,914,494
Total incl. others	110,055,364

DISPOSAL OF PROFIT:

Legal Reserve	215,000
Retirement Allowance Fund for Employees	400,000
Bonuses to Officials	89,500
Dividends to Shareholders (6% per annum)	2,175,000
Dividends Balancing Reserve	700,000
Special Reserve	900,000
Balance carried forward	1,123,775
Total	5,638,275

Table 4. General Statistics on Telegraph and Telephone

	Telegraph (Kms.)		Equipment		Extension length of telephone line (Kms.)	No. of telephone messages	No. of telephone subscribers
	Lines	Extension Lines	Telegraph	Wireless			
1933	12,370	34,068	544	—	——	2,004,194	32,898
1934	20,471	42,594	634	140	24,070	2,074,307	41,598
1935	21,911	45,886	638	159	32,468	2,695,999	54,113
1936	21,080	46,670	778	182	102,919	2,958,268	63,373
1937	26,635	55,011	921	228	128,709	3,669,030	73,939
1938	26,635	51,982	1,161	304	147,006	4,556,621	82,630

Table 5. No. of Telegraph Office

(A) Manchoukuo

	Telegraph & Telephone Stations	Telephone Stations	Telegraph Agencies	Wireless Station	Wireless Agencies	Total incl. Others
1934	75	143	222	1	48	504
1935	95	136	242	..	48	555
1936	124	147	249	..	51	616
1937	187	100	275	..	54	691

(B) Kwantung

	Telegraph Offices	Air-station	Post offices	Post branch offices	Post stations	Wireless telegraph stations	Telephone exchange offices	Post agencies	Telegraph agencies	Wireless telegraph agencies	Telephone agencies	Total
1926	—	—	40	8	16	3	2	146	90	11	20	336
1932	1	1	44	37	22	4	3	151	102	38	25	428
1933	26	1	44	43	22	2	7	145	112	49	25	476
1934	48	1	49	39	26	1	6	146	113	48	30	507
1935	51	1	53	36	30	—	14	146	112	48	29	520
1936	54	1	56	45	32	—	11	147	118	51	17	532

Table 6. Number of Telegrams Handled

(A) Manchoukuo

(1,000)

	In-Manchoukuo		Japan-Manchoukuo		Foreign		Total	
	Despatched	Arrived	Despatched	Arrived	Despatched	Arrived	Despatched	Arrived
1934	2,067	2,094	2,110	1,859	256	281	4,434	4,235
1935	2,931	2,917	2,317	2,072	255	275	5,504	5,265
1936	3,485	3,427	2,483	2,231	282	283	6,251	5,943
1937	4,084	4,082	2,809	2,438	281	274	7,175	6,795
1938	4,926	4,920	3,218	2,695	439	421	8,583	8,036

(B) Kwantung

(1,000)

Year Ending Mar. 31:	Domestic & Japan-Manchuria			Others			Transmitted	
	Despatched	Arrived	Total	Despatched	Arrived	Total	Domestic & Japan-Manchuria	Others
1933	1,184	1,128	2,312	222	222	444	1,559	397
1934	1,364	1,293	2,657	199	217	416	1,866	364
1935	1,564	1,500	3,064	159	176	335	2,228	325
1936	1,674	1,625	3,299	149	165	314	2,686	239
1937	1,723	1,655	3,378	172	181	354	2,856	266
1938	1,686	1,706	3,392	162	163	326	2,146	259

Table 7. Number of Post Offices By Jurisdictions (Sept., 1938)

Superintendent Office	No. of Post-Office	No. of Sub-Office	Total
Hsinking	127	331	458
Mukden	132	558	690
Harbin	146	296	442
Chinchow	63	226	289
Total	468	1,411	1,879

POSTAL ADMINISTRATION

On April 1, 1932 the Manchoukuo Government took control of the postal administration and postal affairs of the country. This enterprise under the former regime was controlled by the Central Government of China and due to the disunified condition then obtaining in Manchuria the service was far from satisfactory. The Manchoukuo authorities have been successful in eliminating most of the causes for the inefficiency that existed under the Chang rule. Among some of the projects that have been completed by the new government are the establishment of a number of new post offices and the lowering of postal rate. In 1938 there were over 1,879 post offices in the country. The sales of stamps and transactions of the postal savings banks also saw an appreciable increase.

The Manchoukuo Government remains still outside the International Postal Union, but the country's mails bearing the Manchoukuo stamp have been circulating without any hitch in foreign countries.

Table 8. Local Mail Matters Handled

(Unit: 1,000)

(A) Manchoukuo

	Ordinary Mail		Parcel Post		New Year's Greeting Mail	
	Despatched	Delivered	Despatched	Delivered	Despatched	Delivered
1934	101,086	130,492	774	1,011	6,268	....
1935	101,591	152,639	694	718	9,568	5,183
1936	107,878	130,554	645	745	12,671	7,521
1937	125,664	147,230	1,444	1,468	9,729	5,049

(B) Kwantung

Year ending Mar. 31:	Ordinary Mail			Parcel Post		
	Despatched	Delivered	Total	Despatched	Delivered	Total
1935	41,808	43,437	85,346	331	529	860
1936	43,965	46,036	90,001	321	506	829
1937	46,851	48,172	95,023	350	490	840
1938	48,398	53,176	101,573	380	519	899

Table 9. Foreign Mail Matters Handled in Manchoukuo

(Unit: 1,000)

(A) Ordinary Mail Matter

	Japan		China		Other Countries		Total	
	Despatched	Delivered	Despatched	Delivered	Despatched	Delivered	Despatched	Delivered
1934	12,133	12,816	5,932	5,839	947	1,493	19,013	20,149
1935	20,338	24,187	11,894	11,985	732	2,475	32,965	38,648
1936	27,284	27,810	12,456	12,456	1,990	2,148	41,732	45,143
1937	28,110	32,253	12,285	12,285	140	3,262	40,536	43,526

(B) Parcel Post

1934	60	257	23	65	0	1	83	323
1935	61	348	51	96	0	1	112	445
1936	76	493	72	141	0	1	148	635
1937	146	500	131	238	1	4	278	742

Raise in Postal Rates

Simultaneously with the revision of Japanese postal rates on April 1, 1937, the Manchoukuo postal administration enforced new rates for domestic mail matter, as well as for postal matter addressed to the Japanese Empire and China. The new charge for ordinary letters addressed to any points within the country was raised to four fen, an increase of one fen as compared with the previous rate, and the rate for post-cards, two fen instead of 1.5 fen. A new kind of post cards known as sealed post-cards was introduced and is sold at four fen.

The revised charges for mail addressed to Japan proper, Korea, Formosa, or the Kwantung Leased Territory has on the whole conformed to those for domestic mail. The fee for registering a letter to any point in these lands was reduced from 10 to 8 fen. The cost of mailing an ordinary letter to China was raised from the previous four fen to five fen, and the rate for post-card to the same destination to 2.5 fen, an increase of half a fen over the previous rate.

Table 10. Fees for Domestic and Foreign Ordinary Mail

Class	Kind of Mail	Weight	Domestic (M¥)	Foreign Japan (M¥)	China (M¥)	Others (M¥)
1st class	Letter	20 grams	0.04	0.04	0.05	0.20
2nd class	Post Card	Single	0.02	0.02	0.025	...
"	"	Carte Repondee	0.04	0.04	...	...
3rd class	Periodical & Newspaper	60 grams	0.005	0.005	0.005*	0.04*
4th class	Printed Matter	120 grams	0.02	0.02	0.02†	0.20†
5th class	Commercial Sample.	120 grams	0.02	0.02	0.02(A)	0.08(B)

Note: *—Every 50 grams. †—Every 25 grams. (A)—4 grams. (B)—100 grams.

Postal Savings

(For Statistics of Postal Savings see Banking Chapter).

Improvement of Japan-Manchoukuo Postal Savings System

A law designed to improve the system of Japan-Manchoukuo postal savings transfer accounts inaugurated on December 1, 1936, was formally promulgated in the Government gazette on March 11, 1937 to be effective on and after May 1, 1937. The improvement was decided upon by the Department of Communications after consultation with the Japanese authorities concerned, as the previous system was of a temporary nature. Besides providing for many improvements in the system, the law increases the number of Manchoukuo post-offices handling postal savings transfer accounts, which was 176 early in 1937 to 233 simultaneously with the enforcement of the law. The increase will enable even residents in remote Manchoukuo towns to send postal transfers.

Agreement Concerning the Establishment of Manchuria Telegraph and Telephone Company

The Governments of Manchoukuo and Japan; Desirous of consolidating and of operating the equipments for electric communication belonging to the two Governments in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo; and recognizing the need of establishing for that purpose a joint-stock company as a Manchoukuo-Japanese undertaking.

Have therefore agreed upon the following Articles:

Article 1. The Governments of Manchoukuo and Japan shall, in collaboration, cause a joint-stock company to be established as a Manchoukuo-Japanese joint undertaking and shall cause it to conduct enterprises concerning electric communication both by wire and wireless in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo.

The enterprises concerning electric communication mentioned in the preceding Paragraph shall not include any which are accessory to railway and aviation enterprises nor any which are exclusively for the use of Government offices or for police and military purposes.

Article 2. The capital of the Company shall be ¥50,-000,000 in Japanese currency: provided, however, that the same may either be increased or decreased with the approval of the Governments of Manchoukuo and Japan.

Article 3. The shares of the Company shall take the form of inscribed shares and shall be held only by the Governments of Manchoukuo and Japan, by local governmental bodies in those countries, by their nationals or by juridical persons formed under the laws, ordinances and regulations of their country and in which the majority of votes are held by their nationals or by their juridical persons.

Article 4. The Governments of Manchoukuo and Japan shall respectively contribute as capital such equipments for electric communications as at present belong to them in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the area under the administrative jurisdiction of Manchoukuo.

The equipments for electric communication mentioned in the preceding Paragraph shall not include any which are accessory to railway and aviation enterprises nor any which are exclusively for the use of Government office or for police and military purposes.

Nationals or juridical persons of Manchoukuo may contribute as capital such equipments for electric communications as belong to them.

Fully paid-up shares shall be allotted in respect of the contributions defined in the present Article.

The value of the contributions in kind defined in the present Article shall be assessed by equitable methods on the basis of the actual value of the equipments so contributed.

Article 5. The Directors and Auditors of the Company shall be either of Manchoukuo or Japanese nationality.

The total prescribed number of the Directors and Auditors of the Company shall be divided among nationals of each country in proportion to the total number of shares held in aggregate by the Government, national and juridical persons of their respective countries; provided, however, that the number of Directors and Auditors who are of the nationality of one country shall not be less than one-third of the number of those who are of the nationality of the other country.

Article 6. The dividend of profits of the Company shall not exceed a certain equitable rate.

Dividends or profit on the shares other than those held by the two Government may, until they reach a certain rate be distributed in preference to those held by the latter.

Article 7. In the case of the shares allotted, in accordance with the provisions of Article 4 hereof, to the Government, nationals or juridical persons of Manchoukuo, dividends of profits may be paid in Manchoukuo currency on the basis of the rate of exchange prevailing at the time of the contribution of capital; and in the case of the shares held, at the time of the first payment on such shares, by nationals or juridical persons of Manchoukuo, on the basis of the rate of exchange prevailing at the time of each payment on such shares.

Article 8. The property, income and business of the Company and every kind of registration effected by it as well as the articles necessary for its undertaking shall be exempt from taxes and from all other public charges in the Kwantung Leased Territory, in the South Manchuria Railway Zone and in the areas under the administrative jurisdiction of Manchoukuo.

Article 9. The Company shall enjoy the same privileges as have hitherto been granted to Government undertakings in respect of the expropriation of lands, the laying of electric wires, the utilization of means of transport, the collection of fees and charges and all other matters necessary for the conduct of its undertaking.

Article 10. The articles forming part of the Company's equipment for electric communication or of the installations accessory to such equipment shall not be made the object of hypothec attachment, provisional attachment or provisional disposition.

Article 11. The Governments of Manchoukuo and Japan shall superintend the undertaking of the Company.

The Governments of Manchoukuo and Japan may, in respect of the Company, issue such directions as may be necessary for the purpose of superintendence.

In cases where a resolution of the Company or the action of any of its officials is in contravention of the present Agreement, the laws, ordinances and regulations of the two countries or the Company's articles of association, or is injurious to the public welfare, as well as in cases where it is in contravention of the directions of the superintendent authorities, the Governments of Manchoukuo and Japan may cancel such resolution or remove such official from his office as the case may be.

Article 12. The Company shall obtain the approval of the Governments of Manchoukuo and Japan for every alteration of its articles of association, every appointment or removal of its Directors or Auditors, every issue of debentures, every fixation and alteration of its fees and charges, every disposal of its profits, every resolution for the purpose of amalgamation or dissolution, every program of enterprises for each business year, every conclusion of business agreements concerning electric communication and every transfer of articles belonging to its equipments for electric communication or to the installations accessory to such equipment.

Article 13. The military authorities of Manchoukuo and Japan may, with reference to the enterprises of the Company, issue such directions as may be necessary for military purposes; and may, with reference to the equipment of the Company, take such measures as may be necessary for military purposes.

They shall make compensation for any loss that may be incurred by the Company in consequence of the said directions or measures.

Article 14. The Governments of Manchoukuo and Japan may direct the Company to offer its equipment to be used for such communication as may be necessary for railway, aviation, police, military and other purposes.

Article 15. The Company may, when necessary for the conduct of its enterprises, apply to the superintendent authorities of the country concerned for sanction to use for its own purpose any equipment for electric communication accessory to railway and aviation enterprises or such as are used exclusively for police and military purposes.

Article 16. The Governments of Manchoukuo and Japan may, in case they consider that the Company is likely to go into liquidation purchase at a reasonable price the equipment for electric communication belonging to the Company and the installations accessory to such equipment.

Article 17. The Company shall, in addition to the provisions of the present Agreement be subject to further agreement to be entered into by the Governments of Manchoukuo and Japan.

Article 18. The company shall, with regard to matters concerning international electric Communication, conform to the provisions of treaties and other international agreements.

Article 19. The Governments of Manchoukuo and Japan shall respectively appoint 15 members of an Organizing Committee and shall cause them to conduct, under the supervision of the two Governments, all affairs concerning the establishment of the Company.

Article 20. The Organizing Committee shall draw up the articles of association of the Company and, after obtaining the approval of the Governments of Manchoukua and Japan thereto, shall offer shares for subscription.

Article 21. The Organizing Committee shall, upon the completion of subscription to shares, apply to the Governments of Manchoukuo and Japan for their sanction to establish the Company, submitting to them the letters of application for subscription.

The Organizing Committee shall, on obtaining the sanction mentioned in the preceding Paragraph, forthwith call for the first payment on each share, and shall on the completion of such payment, forthwith convene an inaugural General Meeting of the shareholders.

Article 22. The Organizing Committee shall, on the termination of the inaugural General Meeting of the shareholders, hand over the affairs in their charge to the Company.

Article 23. The present Agreement shall be ratified by Manchoukuo and Japan in conformity with their respective formal modes of procedure and the instrument of ratification shall be exchanged at Hsinking as soon as possible.

The present Agreement shall come into force from the date of the exchange of the instruments of ratification.

Should any difference arise in regard to interpretation between the Chinese and Japanese texts, the Japanese text shall prevail.

In witness whereof the undersigned, duly authorized by their respective Governments, have signed the present Agreement and have affixed their seals thereto.

Done at Hsinking this 26th day of the 3rd month of the 2nd year of Tatung, corresponding to the 26th day of the 3rd month of the 8th year of Showa. (March 26, 1933).

(L.S.) HSIEH CHIEH-SHIH,
Minister for Foreign Affairs of Manchoukuo,
(L.S.) NOBUYOSHI MUTO,
Ambassador Extraordinary and Plenipotentiary.

References:

Table Nos.: 1-4 a, 5-6 a & b, 7 a, 8-10 c.
Key: a—Manchuria Telegraph & Telephone Co.
b—Kwantung Bureau.
c—Dept. of Communications, Manchoukuo,

CHAPTER XIV

TRANSPORTATION

Historical

The building of roads reflects both natural and cultural influences, such as climate, topography, geographical conditions, density of population, the cultural level of the population and administrative policies. Viewed from this standpoint, the roads of Manchoukuo cannot be regarded as being favored by either the natural or cultural factors. With respect to cultural factors, the failure of past administrators to adopt proper policies has greatly hindered the development of roads in Manchoukuo.

In the Manchu dynasty period there were the so-called Kuanmatalu (highways for official horses) connecting cities, and also great and small roads connecting towns and villages. But as these were not properly maintained State and private roads were equally in ruin. Furthermore, such highways were constructed by the former war lords from military standpoints, and no consideration was given to economic and industrial factors. Thus, roads used for military purposes were repaired and maintained whenever necessary, and other were left to local authorities who repaired them only when it was unavoidable.

Construction methods were very primitive, and bridges and other parts of roads were left unrepaired when damaged or washed away by floods. No provision was made for the permanent maintenance of bridges and there were no spans across rivers. Furthermore, roads were constructed by merely cutting through flat and uncultivated areas, and there was no surfacing As roads were on the same level with the surrounding areas, when the rainy season of summer came, the clay deposit, peculiar to Manchoukuo, turned into mud, and roads became impassable. Then in the dry season, roads were covered with yellow dust, which was extremely difficult to walk through.

All of the principal cities of Manchuria are connected by highways, but the country still possesses only a scant length of paved roads. The Government saw the necessity of constructing new highways and of broadening those already in existence and between 1932 and 1938 more than 13,000 kilometers of national and local roads have been built. The Government's initial plan in 1932 called for the construction of 60,000 kilometers of national highways in ten years, but various circumstances have necessitated slight modifications to this original project. The outcome was the formation of the First and Second Five-Year Highway Construction Plans. The First Five-Year Plan covered the years 1932-36 and involved the construction of 9,809 kilometers of national highways and 20 special bridges at an estimated expenditure of M¥30,685,000, while the Second Year Plan, extending over 1937-41, proposed the construction of 13,268 kilometers of national highways and 37 special bridges at an estimated expenditure of M¥62,000,000. For the realization of the Five Year Plan, the Government has established the State Highway Bureau and the Highway Construction Offices at Hsinking, Mukden, Harbin and Tsitsihar. With the launching of the Second Five-Year Plan, the Highway Construction Offices were shifted to Tsitsihar, Tumen, and Mutankiang.

The work thus started progressed smoothly. During the period allotted to the First Five-Year Plan, 8,992 kilometers of modern highways and 20 special bridges had been completed, while during the first two years of the Second Five Year Project, 4,613 kilometers of national highways and 24 special bridges had been successfully completed. The following table shows the growing length of roads according to years:

Table 1. Road and Bridge Construction

	National Roads		Local Roads		Bridges	
	Extension (Kms.)	Expenses (M¥1,000)	Length (Kms.)	Expenses (M¥1,000)	Length (Meters)	Expenses (M¥1,000)
1932	707.7	7,804	....	...	....	...
1933	3,000.9	12,876	5,218.5	76	480	56
1934	2,632.3		2,138.1	684	1,595	146
1935	580.4	16,615	1,468.7	346	2,122	249
1936	2,071.0		1,485.7	846	3,266	207
1937	2,168.6	10,068	989.8	717	5,700	189
Total	11,160.9	47,363	11,300.8	2,668	13,163	848

Table 2. Length of Roads Classified

(End of 1937; Unit: Kilometers)

Province:	Usable year-round	Unusable after rains	Unusable in rainy season	Usable in winter only	Total Length
Kirin	1,015	1,220	2,839	1,577	6,652
Lungkiang	504	3,486	637	1,230	5,857
Heiho*	....	....	....	....	....
Sankiang	——	371	2,037	755	3,163
Mutankiang	187	181	625	632	1,625
Pinkiang	1,080	3,490	1,918	319	6,806
Chientao	194	512	249	286	1,241
Tunghua	845	667	432	112	2,056
Antung	652	1,357	2,727	20	4,756
Fengtien	2,990	3,205	1,518	129	7,841
Chinchow	1,847	1,122	1,189	237	4,395
Jehol	1,118	1,711	1,159	166	4,153
Hsingan W.*	....	....	....	....	....
Hsingan S.	295	761	494	45	1,495
Hsingan E.	47	185	——	199	431
Hsingan N.*	....	....	....	....	....
Total	10,773 20%	18,267 36%	15,723 31%	5,706 12%	50,468 100%

Note: * Investigation not yet completed.

In addition to the local highways, the Government also undertook in 1934 to construct or reconstruct highways in the Tungpientao region, formerly the nest of bandits, as a result of the program of rehabilitating the poverty-striken farming population of the 16 hsien in this region. As a result, during the three years between 1934 and 1936, some 3,733 kilometers of local highways had been either constructed or reconstructed at a total expenditure of M¥476,485. Another noteworthy project is the construction of highways to facilitate the work of Japanese and Chosenese immigrants in Manchuria. This work was started by the Government in 1937 with the inauguration of the Five Year Immigration Highway Project. Under this plan, some 1,290 kilometers of local highways had been constructed during 1937-38 at a total expenditure of M¥1,172,300. Thus, Manchoukuo is witnessing a spreading network of modern highways, both national and local, reaching the farthermost parts of the country and supplementing the expanding radius of railway lines.

Progress in 1938.—According to a report issued by the Government on April 8, 1939 the construction of roads, including those for national defence, public peace maintenance and industrial development was 225% in excess of the amount prescribed for the year under the Five Year Plan.

Table 3. Five-Year Plan for Improvement of Local Roads and Bridges

(1938–1942)

Roads	Length (km.)	14,580
	Subsidy (M¥)	10,008,430
Bridges	Length (km.)	32,289
	Subsidy (M¥)	11,594,000
Total State Subsidy		21,602,430

Allotment	for	1938	4,333,060
”	”	1939	3,398,420
”	”	1940	4,231,610
”	”	1941	4,313,360
”	”	1942	4,321,980

Note: Standard width of road is 6–8 meters.

Motor Transport

On May 31, 1933 the Government charged the Department of Communications with the supervision and control of the motor transport industry. Due partly to the efforts thus made by the Government for the development of the motor transport and partly to the construction of new highways, the motor bus business has expanded tremendously. The total extension of motor bus lines as at the end of 1937 was 13,103 kilometers under state management and 6,922 kilometers under private management. The development of the motor bus service for the last few years may be seen from the figures appended:—

Table 4. Condition of Motor Bus Transportation

	No. of lines	Length of extension lines (Kms.)	Length of operating lines (Kms.)	Investment (M¥1,000)	Aggregate number of passengers carried (1,000)	Aggregate amount of goods hauled (1,000 m. tons)	Total Receipts (M¥1,000)
Governmental:							
1934	19	8,876	3,544	2,300	358	6,650	1,223
1935	33	9,935	4,366	2,339	515	5,103	1,580
1936	65	11,272	5,644	2,422	722	7,081	1,830
1937	80	13,103	5,104	....	1,132	38,066	3,508
Private:							
1934	32	3,752	3,311	2,195	....	....	....
1935	63	4,693	4,125	3,830	34,278	16,742	3,239
1936	104	5,518	4,215	4,174	43,697	41,252	4,389
1937	123	6,922	....	....	72,821	....	5,997

Table 5. State Bus Lines

(April, 1939)

MUKDEN RAILWAY BUREAU

(Total Length: 1,857 kms.)

	Kms.
Ancheng Line:	
Antung-Chengtzutuan	232
” -Hungchikai	52
” -Wulungpei	22
Hoshenkou-Kungwangmiao	45
Takushan-Fenghuangcheng	96
” -Tashihchiao	175
Chuangho-Paipin	120
Chuangho-Siuyen	72
Siuyen-Haicheng	100
Chehmucheng-Pachakou	12
Hainiu Line:	
Haicheng-Niuchuang	25
Yingkow-Neuchuang	40
Hailiao Line:	
Haicheng-Liaoyang	62
Anren Line:	
Lishan-Liaoyang	16

	Kms.
Fenghu Line:	
Mukden-Fushun	56
Hutieh Line:	
Hushun-Tiehling	65
Liaohu Line:	
Hushun-Waitoushan	60
Waitoushan-Liaoyang	65
Chenghu Line:	
Hushun-Chengchang	110
Fengcheng Line:	
Mukden-Kangping	119
Faku-Changkutai	108
Faku-Tungchiangkou	29
Hsiaokou-Kangping	39
Faku-Ilu	72
Minchang Line:	
Hsinmin-Changwu	62

CHINCHOW RAILWAY BUREAU

(Total Length: 3,146 kms.)

Jehol Line:	
Lingyuan-Suichung	184
Suichung-Minshuitangpienmen	43
Pingchuan-Hsifengkou	97
Lamatung-Chinglung	103
Chinglung-Hsiatien	69
Pingchuan-Hsichiao	131
Hsichiao-Nolin	20
Hsichiao-Chihfeng	*59
Chengteh-Weichang	135
Sanchakou-Kupeikou	91
Yingpang-Fengning	47
Lingyuan-Lengkou	164
Chengteh City	3
Chinfu Line:	
Chinchow-Sihaikuo	36
Hsingshan-Hulutao	45
Chinsi-Yangchiachangtzu	35

Chinchow City	11
Chaoyang-Chienping	82
Yehaishou-Hsinghui	115
Tahushan-Hsiatientzu	32
Weichang-Chihfeng	*130
Weichang-Tolun	*130
Chihfeng-Linhsi	210
Peiha Line:	
Fuhsin-Halaton	62
Paituchangpienmen-Peichen	37
Fuhsin-Tunglumutewang	21
Peikai Line:	
Peipiao-Namanchi	152
Kailu-Namanchi	115
Tungliao-Koutsinsuchi	92
Tungchieng Line:	
Tungliao-Kailu	86
Kailu-Lintung	180

(Continued)

KIRIN RAILWAY BUREAU

(Total Length: 1,861 kms.)

Tunghua Line:	
Tunghua-Tsian	*116
Tsian-Yangyutao	19
Tsian-Huangpai	34
Tunghua-Pataohao	60
" -Haunjen	94
" -Tunghua Station	5
Shanchengchen-Liuho Station	37
Liuho-Wufenglou	51
Chaoyangchen Line:	
Chaoyangchen-Fushung	145
Peipinanchuan-Wutaokou	85
Liuho-Kushantzu	28
Kingki Line:	
Hsinking-Kirin	126
Kirin-Hsiaofengman	25
Itung Line:	
Itung-Panshih Station	80
" -Yentungshan Station	90
" -Shihling Station	60
Chaluho-Shuangyang	37
Nungan Line:	
Nungan-Fulungchuan	50
" -Kuochiatun	*25
" -Kaoshantun	60
Kuochiatun-Tafangshen	49
Mimen-Kaoshantung	30
Chiutai Line:	
Hsiachiutai Sta.-Shanghowan	82
Chitamu-Pachitun	45
Hsiachiutai Sta.-Ssutsingtsuitzu	*
Nankuan-Hsiachiutai Station	30
Chiaoho Line:	
Chiaoho-Pachiatzu	27
Tunhai Line:	
Tunhua-Kuanti	32
Kuanti-Emu	30
Tungmen-Mahao	28
Tunhua-Emu	*50
Antu Line:	
Mingyuehkuo-Antu	124

MUTANKIANG RAILWAY BUREAU

(Total Length: 1,894 kms.)

Tungman Line:	
Tumen-Mishan	*45
Hunchung-Tinghsingchen	100
" -Chingyuchiao	51
Tahungkou-Lotzukou	82
Suifenho-Sanchakou	62
Sanchakou-Tinghsingchen	120
Mishan Line:	
Mishan-Pingyuan	78
Pingyuang-Lishuchen	52
Lishuchen-Mishan	22
Mishan-Mishan Sta.	12
Pingyuang-Pingyuang Sta.	12
Poli-Chitaiho	32
Hartung Line:	
Shanhsin-Chiamussu	106
Chiamussu-Huachuan	39
Huachuan-Fuchin	*113
Fuchin-Tungkiang	76
Sanhsin-Poli	110
Chiamussu-Fuchin	166
Fuchin-Paoching	120
Shakang-Paoching	139
Chiamussu-Hsingshantun	205
Chienchen Sta.-Huanying	5
Hunanying-Sanhsinchien	100
Chiamusse City	19

HARBIN RAILWAY BUREAU

(Total Length: 2,225 kms.)

Hartung Line:	
Harbin-Hulan	23
Hulan-Mulan	122
Mulan-Tungho	75
Tungho-Sanhsin	81
Fangcheng-Talomi	55
Tungho-Fengshan	60
Pingfeng Line:	
Harbin-Pingfeng	26
Lalin Line:	
Harbin-Acheng Sta.	45
Hsiangfang-Acheng	36
Acheng-Lalin Sta.	38
Acheng Sta.-Barrack	3
Mankou Line:	
Mankou-Yuyuan	98
Yuyuan-Fuyu	50
Mankou-Hsikang	82
Hsikang-Mingshui	60
Hsikang-Chifeipaching	52
Lanhsi-Hulan	50
Harbin-Loanchen	30
Sanchaho Line:	
Sanchaho-Wuchang	120
" -Yushu	60
Yushu-Pachitun	60
Wukoshu-Taolaichao	23
Kungpengtzu-Tapahao	12
Hsinglungtien-Ssuchiafang	74
Sanchaho-Fuyu	125
Suchiaputzu-Wuchiachan	18
Hsiaokungpengtzu-Fuyu	72
Lalin Line:	
Yushu-Lalin	59
Nohei Line:	
Heiho-Aigun	33
Aigun-Chiko	114
Heiho-Chinshangchen	*225
" -Kantachi	124
Sunwu-Chiko	115
N. Sunwu Sta.-Barrack	5

(Continued)

TSITSIHAR RAILWAY BUREAU

(Total Length: 2,826 kms.)

Tsicha Line:	
Tsitsihar-Kannan	107
Meiliszu-Fulaerhchi	14
Yungankai-Anganghsi	20
Tsita Line:	
Anganghsi-Tuerpete	100
Talahar-Taikang Sta.	106
Talahar-Tatungchen	74
Nohei Line:	
Noho-Puhsi	30
Nunkiang City	6
Tailai Line:	
Tailai-Chinghsing	107
Tatzucheng-Chalainoerh	22
Fulaerchi-Puhsi	54
Lintieh Line:	
Taikang Sta.-Lintieh	55
Lintieh-Ian	55
Tsitsihar-Lintieth	80
Paichuan Line:	
Anta Sta.-Paichuan	160
Paichuan-Koshan Sta.	65
Anta-Hsikiang	42
Paichuan-Hailun	85
" -Ian	65
" -Kotung Sta.	66
Koshan-Peihsingchen	58
Paichuan-Taian Sta.	81
Taian Sta.-Ian	47
Antai Line:	
Anta Sta.-Tatungchen	67
Tatungchen-Yuchow	57
Hsingan Line:	
Wengchuan-Hailar	*285
Hailar-Nalemutu	180
Hailar City	10
Taonan-Fengchuan	105
Wangyehmiao-Fengchuan	113
Sanchiatzu-Wafangchen	44
Wangyehmiao-Wafangchen	65
Kingtao Line:	
Taonan-Ankuang	*86
Ankuang-Lungchuantun	30
Kanan Line:	
Kaitung-Chienkuochi	155
Taipingchuang-Tanyu	45
Tanyu-Kaitung	50
Chienkuochi Line:	
Chienkuochi-Fuyu	8

All bus services along railway lines or running parallel to such lines, and others over routes which will later become railways, as well as those which play an important role in the opening up of undeveloped regions and in the maintenance of peace and order, and which are not paying proposition, are managed by the State through the General Direction of State Railways as a subsidiary business of the latter. The other bus lines, however, are left to private management.

Table 6. Number of Cars

(End of 1936)

	Bicycles	Rikisha	Wagons	Carts	Hand cars	Motor Cycles	Motor Cars			
							Passenger	Lorry	Others	Total
(a) Manchoukuo										
Kirin	10,471	1,387	1,441	84,298	687	9	288	178	12	474
Lungkiang	4,587	127	2,102	66,536	219	16	217	185	16	418
Sankiang	673	7	856	15,294	10	3	78	214	—	292
Heiho	303	12	135	3,802	25	1	15	20	6	41
Pinkiang & Mutankiang	6,368	303	2,847	85,518	236	8	238	230	10	478
Chientao	3,214	156	139	19,289	222	8	94	79	3	176
Antung & Tunghua	7,360	863	436	16,466	298	6	49	233	10	292
Fengtien	49,405	12,325	6,006	155,697	6,098	49	460	280	62	802
Chinchow	4,028	1,331	877	48,148	381	13	93	106	3	202
Jehol	2,839	934	975	18,264	385	2	63	172	—	235
Hsinking Spec. Muni.	8,846	948	2,842	9,756	160	48	481	182	11	674
Harbin Spec. Muni.	6,484	6,343	2,870	5,729	709	97	836	309	31	1,176
Hailar	104	3	287	1,493	—	—	23	43	—	66
Manchouli	116	—	43	463	—	1	11	2	4	17
Total	104,852	24,739	21,856	530,753	3,430	261	2,946	2,233	168	5,347
(b) Kwantung:										
Kwantung Province	33,925	2,136	1,592	23,492	4,280	...	...	...	...	...
S.M.R. Zone	26,846	2,237	1,697	1,964	1,340	...	...	...	...	...
Total	60,771	4,373	3,289	25,456	5,620	...	...	...	...	...

Auto Transport Business Placed under New Law

With the object of ensuring the sound development of the automobile transport business in Manchoukuo by eliminating waste and checking competition under suitable state control, a new law was promulgated in March, 1937 by the Hsinking Government governing the auto transport enterprises throughout the country. Officials of the Department of Communications, which have consequently come to supervise all transport enterprises coming under the new law, explained that the new legislation had done away with the numerous defects inherent in the former three sets of regulation adopted for temporary use when the new regime had come into power after the collapse of the northeastern administration.

Their chief shortcoming, the officials pointed out, was that the old regulations merely stipulated the duties of the entrepreneurs and the legal procedure for engaging in the auto transport business, but failed to provide either for its assistance and development or for its guidance and control. Another glaring fault was a lack of uniformity in the rule as applied in different parts of the country, which had constituted a serious obstacle to the general development of the business, according to the same officials. In short, the former regulations were proved to be antiquated and inadequate to meet the needs of growing modern enterprise.

The new law affects all the motor cars running on regular routes operated under fixed schedules or used in general transportation. This means that all passenger buses, sightseeing buses, and trucks engaged in hauling goods under fixed schedules are affected. Taxis, hired autos, hired trucks, passenger cars operated free of charge by department stores for the convenience of their customers, and school buses do not come under the provisions of the new law, but are governed by department ordinance issued as an appendix. The main provisions of the law are as follows:—

1. All automobile transport enterprises coming under the present law are to be included within the category of public utilities, and as such, must be specially approved by the Minister of Communications before they can be operated.

2. The license for any enterprise permitted by the Minister of Communications is to be valid for a period of not more than ten years.

3. The opening of any new roads for use by any transport enterprise in the operation of its cars at its own expense is to be allowed. In case the roads are to be used for other business as well, the permission of the Minister of Communications is required.

4. As all transport enterprises covered by the present law are public utilities, the permission of the said Minister is necessary whenever any enterprise is to be suspended, abolished or the company to be dissolved.

TRANSPORTATION BY WATER

The shipping industry in Manchuria had been anything but active owing to the tardy development of general transport facilities. It was not until the end of the nineteenth century when the Chinese Eastern Railway was established by Russia and the South Manchuria Railway by Japan that railway transport began to develop in Manchuria. With the growing activity of the railway service, the coast line began to be active with the ports of Dairen, Port Arthur, Yingkow and Antung as the center.

On the other hand, Manchuria is favoured by nature with many navigable rivers such as the Amur, Sungari, Ussuri, Liaoho, Yalu, Tumen, etc. The economic value of these rivers was considerable when there was no railway service. The rivers in South Manchuria are generally so shallow as can only admit of the navigation of junks, but those in North Manchuria are mostly navigable by river steamers.

Besides repleting port and harbour facilities with a view to connecting the centers of production with sea ports, the Government which recognizes the importance of the rivers is making efforts to further the facilities of river navigation. All affairs concerning the control of navigation are placed under the charge of the Bureau of Transportations, of the Department of Communications. Also, for purposes of navigation administration, the Navigation Administration Bureau has been established at Harbin, Antung and Yingkow. More specially, the Navigation Administration Bureau is under the control of the Minister of Communications and takes charge of the waterways, bays and harbours, ships, crew, pilots, nautical marks and other affairs concerning water navigation.

The navigation administration Bureaux and the district under their jurisdiction are tabulated below:—

Table 7. Navigation Bureau by Territories

Harbin Navigation Administration Bureau	Harbin	1st Sungari, 2nd Sungari, Ussuri, Amur, Arugun and their branches and coasts.
Yingkow Navigation Administration Bureau	Yingkow	Pohai and the Liaoho which empties into it and other rivers, and their branches and coasts.
Antung Navigation Administration Bureau	Antung	Huanghai and the Yalu emptying into it and other rivers, and their tributaries and coasts.

On February 9, 1933 the Manchoukuo Government entrusted the management of the state railways to the S.M.R. Company. The opportunity was taken to sign a contract with the same company for commissioning the management of the navigation business involved, by which navigation under the Sungari jurisdiction and the port and harbour business attached to the Fengshan Line were entrusted to the S.M.R. Co. As a result, on March 1, 1934 the Company established the Harbin Direction for Navigation under the control of the General Direction of State Railways to supervise navigation business on the Sungari and to take charge of Hulutao.

The principal water transportation facilities are on the Amur, Sungari, Nonni, Ussuri and Liao Rivers. The facilities on the Sungari and Amur Rivers are of particular importance, and as industrial development along these rivers progresses, the operation of these facilities will become more active. More than ten navigation routes along with the piers in Harbin, Chiamussu, Heiho, etc., and the Harbin dockyard are under the management of the General Direction. The number of arrivals of ships at the various piers during 1937 reached 16,500. Goods transported by water amounted to 603,000 metric tons of exports and 670,000 metric tons of imports.

Rivers

Important rivers on which the Navigation Association operates its vessels are the Sungari, Amur, Liao, Nonni and Yalu. The routes in operation are as follows in kilometers:

Table 8. Regular River Voyage Course

(September 1938)

	Km.
Harbin-Fuchin	623
" -Chiamussu	451
" -Heiho	1,418
" -Hulin	1,286
Chiamussu-Hulin	835
" -Heiho	967
Harbin-Fuyu-Talai	332
Heiho-Moho	453
" -Chikote	154
Hulin-Lungwangmiao	275
Chiamussu-Lienkiangkou	5
Total	6,799

Table 9. Number of Registered River Vessels

(August 1938)

Capacity: (tons)	Steamers		Sailing Vessels		Tugboats	
	No.	tons	No.	tons	No.	tons
Above 20	16	672	112	3,652	101	6,964
100	41	9,034	—	—	56	8,677
300	35	13,948	—	—	64	25,830
500	28	20,058	—	—	—	33,575
1,000	7	8,172	—	—	—	—
2,000	—	—	—	—	—	—
Total	127	51,883	112	3,652	273	74,945

As for the navigation on the Yalu and Liao rivers, the situation has not yet reached the stage where modern navigation is in much demand, so that although the General Direction is vested with right to operate vessels on them, at present it is still investigating the real conditions obtaining on these rivers. So far junks and rafts have been sufficient to take care of what traffic there are on the two rivers.

Due to severe winter, the routes can only be operated about 7 months of the year, yet the personnel has to be maintained even during the freezing season practically in full force. Added to this already adverse condition a great deal of the traffic is expected to be diverted to the railways when the projected ones are completed; consequently it is considered almost impossible to obtain any profit from this enterprise. The most that could be expected is a par between revenue and expense. In other words this enterprise is operated solely for public service.

However, the General Direction is sparing no effort in curtailing unnecessary expenses by efficient use of vessels, by elevating the efficiency of personnel, etc. and in finding new sources of revenues, such as, by opening up new paying routes, attracting traffic and popularization of this means of transportation.

Besides the transportation facilities that have effort in curtailing unnecessary expenses by ef- is also conducting various public enterprises such as the development of local industries, spreading of education, modern sanitation and the maintenance of peace and order along the railways. In other words the mission of the General Direction does not stop at merely carrying passenger and goods, but it also involves those enterprises that will help to enhance the general development of the country which might of course mean business to the railway in some distant future, but at tremendous initial sacrifice to the railway.

The Sungari.—Though no more than a tributary, an extensive region in Northern Manchoukuo from the Changpai range down to the Heilungkiang is watered by the Sungari. Its valley extends over a long distance of 600 ri. The Sungari is the most important water course in Northern Manchoukuo, important not only for transportation but also for irrigation. Although the upper stream is not available for traffic on account of shallows and of danger from bandits, the waterway down Harbin is navigable even by steamers displacing 1,000 tons and more. Harbin is the principal river port which the Sungari has on its course. The part where traffic is most active extends from Harbin to the point where the Sungari joins the Heilungkiang, the depth measuring 7 feet on the average.

History of Traffic on the Sungari.—The orgin of traffic on the Sungari dates far back to old times. Russian steam-boats were pioneer explorers of the navigable course in the lower stream towards the latter half of the 19th century. They steamed up the Heilungkiang and entered the Sungari as far as Kirin in 1895. Chinese boats came there later than 1907, and Russia held, by virtue of treaties, the power of navigation on the Sungari until 1917, when the Tsarist Government was overthrown by Soviet Revolutionaries. Apprehensive of seizure by the Soviet, Russian shipowners hurriedly sold their vessels to Chinese capitalists interested in shipping at reduced prices. Since that time, Chinese have become powerful in the shipping world on the Sungari. The Chinese authorities prohibited shipping by Russians on the Sungari between Kirin and Laohsiaokow in 1920, and shipping business on the whole stretch of that river by Russians was forbidden in 1924. In September, 1926 China recovered quays and vessels belonging to the Chinese Eastern Railway from the possession of the Soviet.

Navigable Course on the Sungari.—The navigable course on the Sungari is divided into five sections. The uppermost course down to Kirin is shallow, where small steam launches drawing draught of two feet are plying. The course down to Sincheng is navigable by boats drawing draught up to 9 feet, and Harbin to the mouth is most easy of navigation. The plains along both banks in Lungkiang Province are fertile, so that traffic across the river on ice is carried on during winter.

Liaoho.—The east and west tributaries join in the vicinity of Sankiangkow to form the main stream of the Liaoho, which stretches over a long distance of 3,800 Chinese ri, or 650 Japanese ri. Yingkow lies at its mouth. The river is navigable from the mouth up to Chengchiatun, a distance of 1,438 Chinese ri, watering the plain of Southern Manchoukuo. The area embraced by this river measures 350,000 square ri.

However, sand in great volume is carried down by the stream, leaving shallows in its course and blocking the way of ships, while four months in winter, the most important season of traffic, the river is frozen. The value of the Liaoho in traffic has been largely reduced since the construction of the South Manchuria Railway.

Generally speaking, the Liaoho is not navigable from the 28th November, when ice begins to drift, the river begins to freeze o nthe 31st December, thaw sets on the 16th March. The river is frozen for 75 days, and drifting of ice ends on the 30th March.

Yalu River.—The Yalu River streams down from the southern foot of the Changpai Range and runs more than 200 ri into the Yellow Sea. It forms steep declivities at several points; there are reefs in the course, while water decreases in autumn every year, and the river is not easy of navigation. This shortcoming is made good to an extent by propeller vessels and craft of special structure. Manchoukho is intending to improve the traffic system on the Yalu River.

Timber forms the staple goods of trade along that river above Antung, agricultural products coming next, and principal imports up the river are cotton yarns and threads, salt, flour, oil, and miscellaneous goods. The Yalu Transport Company is conducting goods and passenger service with its vessels under instructions from the Government-General of Chosen. The Yalu Steam Craft Company is carrying on similar business with its propeller vessels and with creditable records.

The Yalu River is more or less like a dale and not very valuable from the viewpoint of communication. It is frozen from December till March, while it often overflows its banks in July and August.

The Yalu River is divided into five sections; the uppermost course, the upper course, the intermediate course, the lowest course, and the estuary. The uppermost course is passable only by rafts for seven miles. From the mouth to a distance of 40 ri is navigable by small crafts, but steamers drawing 10 feet and above can hardly go up to Antung. They must be moored at the entrance.

The Heilungkiang.—The Heilungkiang is the largest river in North Manchuria. As it streams down the boundaries, it is joined by many tributaries, and it runs 2,500 miles into Mamiya Straits. From the head down to the mouth of the Ussuri, the Heilungkiang for a distance of 1,216 miles from the frontiers between Russia and Manchoukuo and constitutes the important water-way for the development of Northern Manchoukuo. Its navigable distance extends over 8,826 kilometers, and the whole distance navigable by craft other than steam boats measures 10,601 kilometers.

The Heilungkiang is one of the large rivers of the world, deep enough for ships displacing 1,000 tons and upwards, although there are several shallows at various points, and it has large towns on its banks, such as Khabarovsk, Blagoveschensk, Heiho, and Aigun. Wealthy plains are watered by this large river. A time will come when the Heilungkiang and the Sungari will be opened for international transportation, and then the number of vessels plying between Harbin and towns on both banks of the Heilungkiang will increase. The river is frozen from the close of October to the middle of May and it is crowded with various descriptions of crafts during summer.

The navigation on this river is said to have been started by Russian explorers in 1643. Communication on this river was established since May, 1857, and the Heilungkiang Steamship Company was organized under Government subsidies later. There were many vessels on the Sungari and the Heilungkiang while Russia was governed by Tsars, but the downfall of the Tsarist Government caused the rapid decrease in the number of passengers and the volume of cargo.

The Nunkiang.—The Nunkiang is not deep enough for steamers to navigate. From the point where it meets the Sungari, the waterway can be navigable only by steamers but other courses are available only for junks and small sailing boats. The lower stream is 200 to 600 meters wide and 5 to 10 feet deep.

Apart from Dairen in Kwantung Province, there are three ports worthy of mention in Manchoukuo. They are Yingkow, Antung and Hulutao. As for those ports which are confined to sailing craft, Hsihaikou (Chinhsien) ranks first, followed by Chuang-ho. Both are provided with branches of the Customs House.

Port of Yinkow.—Yingkow is generally known as Newchwang by foreigners. Situated about 12 kilometers from the mouth of the Liaoho, it is the oldest open port in Manchuria. It had developed as the only trading port of Manchuria until Dairen began to show activity as a trading port. It was in 1858 that Yingkow was opened to commerce in accordance with the provisions of the Tientsin Treaty. But its activities as an open port dates back to 1872. It is essentially an export harbor dealing chiefly with Japan and China. Exports and imports passing through this port in 1938 totalled M¥77,818,269. Of this amount, ¥33,836,779 represented exports. Chief articles of export consisted of coal, pig-iron, ores, soya beans, and other beans, beancake, bean oil, cotton ginned and unginned, timber, oils. The principal imports, which ammounted to ¥44,031,490 were wheat flour, timber, sleeper, ores, salt, sugar, cereals, paper. Yingkow consists of the interior and exterior ports. The water depth measures 9 feet at the bar of the mouth, while the deepest part of the port measures 50 feet: 20 feet to 33 feet being the average depth. The administration in respect of harbour and shipping is conducted by the Harbour Office of the Yingkow Customs House. There is a shallow towards the lower stream, so that ships drawing draught of 17 feet and more have no other means but to steam up the river on high tide. When the river runs low, the volume of traffic is reduced, but once it rises high, the water way changes. This is the impediment to the transportation on the stream. During the winter, or from the end of December to March the river is frozen.

Port of Antung.—The port of Antung is located on the left bank of the Yalu River, about 25 miles from the mouth. Thanks to easy communications on land and water, it has attained marvellous development since its opening to trade. Antung now forms the centre of commerce in the neighbouring localities, and a prosperous emporium of commodities. Antung was formerly an obscure resort of junks or sampans, but since it was opened to commerce in March, 1907, it has become a good trading port. It is due largely to the opening of the Antung-Mukden Railway and the completion of the Yalu River that the port has attained the present prosperity.

Traffic on the river dates back to the remote past, the commodities transported being mostly soya beans, Manchurian corns, cocoons of wild silkworms, and Yalu timber. Antung forms the emporium of those commodities. Frequent shifting of waterways, and depth constitute the weak points of the river, so that vessels drawing draught of 10 feet or more cannot go up. Vessels larger than 700 or 800 tons cannot enter Antung. The port is frozen from December to March, and its value diminishes by drifting ice 100 meters long and 50 meters wide. Navigation on the Yalu closes towards the end of October or the beginning of November. While the river is frozen sleds are available for communication across it. The trade of the port for 1938 amounted to ¥45,308,147 in exports, and ¥85,532,464 in imports. Chief exports consisted of cereals, bean-cake, soya beans, coal, timber, etc., and chief imports of timber, wheat flour, cereals, sugar, etc.

Port of Hulutao.—The port of Hulutao is an ice-free port in Pohai with an extensive hinterland favoured in depth of water, direction of wind, temperature, etc. The harbour construction was started in 1908 at an estimated cost of £800,000 with a five-year-programme. The work was resumed in 1919 at an estimated expenditure of 10,000,000 dollars in silver, but it had to be suspended because of a civil disturbance. It was in January, 1930 that a contract with a Dutch firm was signed, and the harbour constructed was to be resumed again at an estimated expenditure of 6,400,000 dollars in American currency. The Manchurian incident caused the abandonment of the resumed work. After the foundation of Manchoukuo, the work was resumed. Then after again suspending the work for a time, the Government of the new country entrusted the harbour construction to the South Manchuria Railway Company for opening up industry in Jehol, especially with an eye to the shipment of Shinkiu and Peipiao coal.

The Company launched a five-year harbour construction plan for the port in 1935 at a total cost of ¥20,000,000 with the object of increasing the cargo handling capacity of Hulutao to 3,500,000 metric tons, and construction of the foundations of Piers Nos. 2 and 3 has been completed. Compared to 1938, Hulutao's cargo handling capacity in 1939 had trebled from 65,000 metric tons to 200,000 tons.

In view, however, of the increasing importance of the harbour works at Hulutao owing to the active development of Manchoukuo's Five Year Industrial Plan and to the closer relationship with North China since the China Incident, the S.M.R. Company has decided to revise and expand the above harbour construction plan in order to increase the port's handling capacity to 4,000,000 metric tons. This will entail an additional expenditure of ¥10,000,000. Under the revised project, both Piers Nos. 2 and 3 was to be opened for use in 1939, while Pier No. 4 was also to be completed the same year, raising the port's cargo handling capacity to 1,000,000 metric tons. The entire project is scheduled for completion in 1940.

Hulutao was designated as an open port by the State Council on April 5, 1937.

Port of Yuki

The port of Yuki is located on the Korean coast of the Japan Sea, 12 miles from the Tumenkiang River. It is one of the ice-free ports of Korea, and has been the anchorage of fishing boats. The port was opened in June, 1921 and further extensions were completed in 1930. The length of the harbour is 200 meters and affords anchorage for two ships of 3,000 tons. Owing to the mountainous hinterland, the connection between the port and the city of Yuki is inconvenient. In spite of the above-metioned handicap the port has a unique advantage in the transportation of lumber. According to prevailing conditions, the port can collect lumber by both rail and by rafts descending the Sungari and the Mutankiang rivers. The port has another advantage in that the rafted lumber may be stored at Lake Ryushi, nearby.

Port of Rashin

The port of Rashin situated at the northern end of Korea, fifteen miles south of Yuki, was a small village with a population of 500 in 1927, The completion of the Hsinking-Tumen railway suddenly increased the importance of this port. At present it has a population of 26,000. Rashin is the best port of Korea and is surrounded by mountains on three sides, and protected by two small islands lying at the entrance of the port. The depth of the port is from eight to twenty meters in general and eight to ten meters by the piers. When harbour projects now under way are completed Rashin will become an excellent outlet for the cargoes of North Manchuria, particularly from the region of Harbin and for the import of goods to North Manchuria. The construction of the port of Rashin is being projected in three stages. When the entire plan is completed Rashin will have eight piers 300 meters each in length with capacity for handling 9,000,000 tons of cargo annually. The first stage of construction was commenced in 1933 and was completed in 1938. In this stage three piers with capacity for handling 3,000,000 tons of cargo annually were completed.

A railway line linking Yuki and Rashin, 15 miles distant, was completed in the autumn of 1935. The advantage as regards savings in mileage effected by using the Rashin route instead of the Dairen or Vladivostok routes in transortation between Harbin and Tokyo is shown in the following data:

Route	Mileage (Kms)
Harbin-Dairen-Shimonoseki-Tokyo	3,208.9
Harbin-Vladivostok-Tsuruga-Tokyo	2,194.8
Harbin-Rashin-Niigata-Tokyo	1,946.1

Table 10. Arrival and Departure of People Through Ports of Kwantung Province

	Landing			Leaving		
	Japanese	Manchoukuoan and Chinese	Total. incl. others	Japanese	Manchoukuoan and Chinese	Total incl. others
1931	65,106	242,748	311,511	52,002	179,798	235,539
1932	88,660	239,690	327,887	57,774	230,690	293,421
1933	119,447	346,098	472,280	77,676	252,465	335,973
1934	125,928	404,338	536,665	87,402	232,874	324,934
1935	149,763	267,129	423,901	107,825	198,373	310,995
1936	133,670	235,502	374,695	113,888	186,629	304,682
1937	138,488	177,703	321,672	120,970	150,420	275,447

Table 11. Number of People Leaving and Landing at Principal Ports in Manchoukuo

(1937)

	Leaving			Landing		
Ports:	Male	Female	Total	Male	Female	Total
Yingkow	32,460	3,699	86,159	82,527	5,885	88,412
Harbin	110,222	22,842	133,064	69,065	12,627	81,692
Antung	19,807	5,187	24,994	12,934	3,481	16,415
Hulutao	790	19	809	3,140	200	3,340
Hulin	1,548	260	1,808	1,527	315	1,842
Fuchin	39,798	8,567	48,365	50,471	12,112	67,583
Heiho	12,450	1,568	14,018	8,579	1,726	10,305

AIR TRANSPORTATION

(For Air Route Map See Page 208)

Since 1933 much progress has been made in developing the commercial air routes of Manchoukuo, and good connections with the air service system of Japan are in effect. The capitals of Japan and Manchoukuo have been shortened into a day's trip by air since 1937. When the projected direct flights over the Japan Sea are realized the distance between Hsinking and Tokyo will be further shortened by several hours.

Manchoukuo possessed in 1939 a fine network of commercial air routes, stretching from the Liaotung Peninsula northwards to the Soviet borders at Manchouli, Heiho, and Hunchun and connecting the intermediate cities of Mukden, Hsinking, Harbin, Tsitsihar, Mutankiang and Chiamussu. There are also air lines running westward to Jehol City and to Lintung, near the Outer Mongolia border.

Due to heavy traffic increase there is still a great shortage in aircrafts and the rule is that reservations must be made days in advance to assure passage. Most of the aircrafts used on the service are of the Douglas, Lockheed and Heinkel types. The Douglas is built in Japan through foreign license.

Table 12. Principal Airlines and Timetable

(1939)

Distance (Km.)	Fare (M¥)	**Dairen-Chiamussu**			**Chiamussu-Dairen**		
		(Daily)					
		Dairen	Lv.	10:00	Chiamussu	Lv.	9:00
355	23	Mukden	Arr.	11:25	Harbin	Arr.	10:20
		"	Lv.	11:35	"	Lv.	10:30
270	18	Hsinking	Arr.	12:40	Hsinking	Arr.	11:30
		"	Lv.	13:00	"	Lv.	11:50
250	16	Harbin	Arr.	14:00	Mukden	Arr.	12:55
		"	Lv.	14:10	"	Lv.	13:05
305	39	Chiamussu	Arr.	15:25	Dairen	Arr.	14:30
1,118	**96**						
		Mukden-Antung-Dairen			**Dairen-Antung-Mukden**		
		(Mon., Wed. & Fri. only)			(Tues. Thur. & Sat. only)		
		Mukden	Lv.	9:30	Dairen	Lv.	9:40
175	17	Hwanjen	Arr.	10:25	Siuyen	Arr.	10:50
		"	Lv.	10:35	"	Lv.	10:55

(Continued)

Distance (Km.)	Fare (M¥)						
60	7	Tunghua	Arr.	11:00	Antung	Arr.	11:30
		”	Lv.	11:10	”	Lv.	11:40
60	7	Tsian	Arr.	11:40	Kwantien	Arr.	12:10
		”	Lv.	11:45	”	Lv.	12:15
130	13	Kwantien	Arr.	12:30	Tsian	Arr.	13:00
		”	Lv.	12:35	”	Lv.	13:05
85	8	Antung	Arr.	13:05	Tunghua	Arr.	13:35
		”	Lv.	13:15	”	Lv.	13:45
95	6	Siuyen	Arr.	13:50	Hwanjen	Arr.	14:10
		”	Lv.	13:55	”	Lv.	14:20
210	14	Dairen	Arr.	15:10	Mukden	Arr.	15:25
815	**72**						

Mukden-Chengteh

Chengteh-Mukden

(Daily)

		Mukden	Lv.	9:15	*9:00	Chengteh	Lv.	12:15	——
200	15	Chinchow	Arr.	10:25	10:10	Chinchow	Arr.	13:35	——
		”	Lv.	10:35	——	”	Lv.	13:45	*15:45
280	28	Chengteh	Arr.	12:00	——	Mukden	Arr.	14:50	16:50
480	**43**								

Note: * Monday, Wednesday & Friday only.

Mukden-Peking

Peking-Mukden

(Mon., Wed. & Fri. only)

		Mukden	Lv.	9:00	Peking	Lv.	13:10
200	15	Chinchow	Arr.	10:10	Tientsin	Arr.	13:45
		”	Lv.	10:20	”	Lv.	13:50
410	36	Tientsin	Arr.	12:10	Chinchow	Arr.	15:35
		”	Lv.	12:15	”	Lv.	15:45
120	15	Peking	Arr.	12:50	Mukden	Arr.	16:50
730	**66**						

Chengteh-Changchiakou

Changchiakou-Chengteh

(Mon. & Thur. only)

		Chengteh	Lv.	12:30	Changchiakuo	Lv.	10:00
255	36	Changchiakou	Arr.	14:00	Chengteh	Arr.	11:30

Hsinking-Chinchow

(Tues. & Sat. only)

Chinchow-Hsinking

(Wed. & Sun. only)

		Hsinking	Lv.	9:00	Chinchow	Lv.	9:00
240	26	Tungliao	Arr.	10:40	Chihfeng	Arr.	10:30
		”	Lv.	10:50	”	Lv.	10:40
85	10	Kailu	Arr.	11:25	Linsi	Arr.	11:50
		”	Lv.	11:30	”	Lv.	11:55
170	20	Lintung	Arr.	11:35	Lintung	Arr.	12:35
		”	Lv.	12:40	”	Lv.	12:40
105	13	Linsi	Arr.	13:25	Kailu	Arr.	13:35
		”	Lv.	13:30	”	Lv.	13:40
155	18	Chihfeng	Arr.	14:25	Tungliao	Arr.	14:10
		”	Lv.	14:35	”	Lv.	14:20
230	23	Chinchow	Arr.	15:55	Hsinking	Arr.	15:40
985	**110**						

Hsinking-Chukochin

Chukochin-Hsinking

(Wed. & Fri. only)

		Hsinking	Lv.	8:30	Chukochin	Lv.	11:00
265	25	Tunghua	Arr.	9:40	Tsian	Arr.	11:30
		”	Lv.	9:50	”	Lv.	11:35
69	7	Tisan	Arr.	10:15	Tunghua	Arr.	12:05
		”	Lv.	10:20	”	Lv.	12:15
95	10	Chukochin	Arr.	10:55	Hsinking	Arr.	13:30
429	**42**						

(Continued)

Hsinking-Seishin

Seishin-Hsinking

(Tues., Thur. & Sat. only)

Distance (Km.)	Fare (M¥)						
		Hsinking	Lv.	9:10	Seishin	Lv.	12:15
395	37	Tumen	Arr.	10:50	Hunchun	Arr.	12:50
		”	Lv.	11:00	”	Lv.	12:55
45	7	Hunchun	Arr.	11:15	Tumen	Arr.	13:10
		”	Lv.	11:20	”	Lv.	13:20
130	12	Seishin	Arr.	12:00	Hsinking	Arr.	15:15
570	**56**						

Hsinking-Manchouli

(Mon., Wed. & Fri. only)

Manchouli-Hsinking

(Tues., Thur. & Sat. only)

		Hsinking	Lv.	8:40	Manchouli	Lv.	9:30
390	38	Tsitsihar	Arr.	10:25	Hailar	Arr.	10:20
		”	Lv.	10:40	”	Lv.	10:30
410	48	Hailar	Arr.	12:30	Tsitsihar	Arr.	12:15
		”	Lv.	12:40	”	Lv.	13:00
180	21	Manchouli	Arr.	13:30	Hsinking	Arr.	14:45
930	**107**						

HsinkingSanchakow

Sanchow-Hsinking

(Mon., Wed. & Fri. only)

		Hsinking	Lv.	8:00	Sanchakow	Lv.	12:00
360	41	Mutankiang	Arr.	10:00	Suifenho	Arr.	12:20
		”	Lv.	10:40	”	Lv.	12:25
50	7	Mulingchan	Arr.	10:55	Mulingchan	Arr.	12:55
		”	Lv.	11:00	”	Lv.	13:00
75	11	Suifenho	Arr.	11:25	Mutankiang	Arr.	13:20
		”	Lv.	11:30	”	Lv.	13:40
50	7	Sanchakow	Arr.	11:50	Hsinking	Arr.	16:05
535	**66**						

Mutankiang-Fukin

(Tues., Thur. & Sat. only)

Fukin-Mutankiang

(Wed., Fri. & Sat. only)

		Mutankiang	Lv.	10:45	9:50	Fukin	Lv.	8:30	——
80	12	Pamientung	Arr.	11:10	10:15	Tungkiang	Arr.	8:50	——
		”	Lv.	11:15	10:20	”	Lv.	8:55	——
100	14	Panchiehho	Arr.	11:45	10:50	Jaoho	Arr.	9:40	——
		”	Lv.	11:50	10:55	”	Lv.	9:45	——
50	6	Tungan	Arr.	12:10	11:15	Paotsing	Arr.	10:35	——
		”	Lv.	11:25	——	”	Lv.	10:40	——
95	14	Paotsing	Arr.	12:55	——	Tungan	Arr.	11:15	——
		”	Lv.	13:00	——	”	Lv.	11:25	11:25
150	21	Jaoho	Arr.	13:50	——	Pachiehho	Arr.	11:45	11:45
		”	Lv.	13:55	——	”	Lv.	11:50	11:50
150	21	Tungkiang	Arr.	14:50	——	Pamientung	Arr.	12:25	12:25
		”	Lv.	14:55	——	”	Lv.	12:30	12:35
60	9	Fukin	Arr.	15:20	——	Mutankiang	Arr.	13:00	13:00
685	**97**								

Mutankiang-Tungan

Tungan-Mutankiang

(Saturday only)

		Mutankiang	Lv.	8:30	Tungan	Lv.	10:15
155	18	Poli	Arr.	9:20	Poli	Arr.	11:00
		”	Lv.	9:25	”	Lv.	11:05
120	14	Tungnan	Arr.	10:05	Mutankiang	Arr.	12:00
275	**32**						

Harbin-Tsitsihar-Heiho-Harbin

(Mon., Wed. & Fri.)

(ues., Thur. & Sat.)

		Harbin	Lv.	9:15	Harbin	Lv.	7:40
275	22	Tsitsihar	Arr.	10:30	Lungchen	Arr.	8:55
		”	Lv.	10:45	”	Lv.	9:00
230	23	Nunkiang	Arr.	11:45	Sunwu	Arr.	9:40
		”	Lv.	11:50	”	Lv.	9:45

(Continued)

Distance (Km.)	Fare (M¥)						
250	25	Heiho	Arr.	12:50	Heiho	Arr.	10:10
		"	Lv.	13:00	"	Lv.	10:20
100	15	Sunwu	Arr.	13:25	Nunkiang	Arr.	11:25
		"	Lv.	13:30	"	Lv.	11:30
145	14	Lungchen	Arr.	14:10	Tsitsihar	Arr.	12:35
		"	Lv.	14:15	"	Lv.	12:50
275	28	Harbin	Arr.	15:35	Harbin	Arr.	14:00
1,275	**127**						

Harbin-Fukin — Fukin-Harbin

(Daily)

Distance (Km.)	Fare (M¥)						
		Harbin	Lv.	8:00	Fukin	Lv.	11:00
160	20	Tungho	Arr.	8:50	Chiamussu	Arr.	11:45
		"	Lv.	8:55	"	Lv.	13:10
75	10	Ilan	Arr.	9:20	Ilan	Arr.	13:40
		"	Lv.	9:25	"	Lv.	13:45
80	9	Chiamussu	Arr.	9:50	Tungho	Arr.	14:15
		"	Lv.	10:00	"	Lv.	14:20
140	17	Fukin	Arr.	11:40	Harbin	Arr.	15:15
455	**56**						

Chiamussu-Tangyuan — Tangyuan-Chiamussu

(Tues. & Sat.)

Distance (Km.)	Fare (M¥)						
		Chiamussu	Lv.	8:00	Tangyuan	Lv.	8:20
35	6	Tangyuan	Arr.	8:15	Chiamussu	Arr.	8:35

Chiamussu-Fukin — Fukin-Chiamussu

(Daily)

Distance (Km.)	Fare (M¥)						
		Chiamussu	Lv.	8:30	Fukin	Lv.	10:50
150	21	Paotsing	Arr.	9:35	Paotsing	Arr.	11:30
105	13	"	Lv.	9:45	"	Lv.	11:40
		Fukin	Arr.	10:30	Chiamussu	Arr.	12:50
255	**34**						

Chiamussu-Jaoho — Jaoho-Chiamussu

(Tues. & Sat.)

Distance (Km.)	Fare (M¥)						
		Chiamussu	Lv.	9:00	Jaoho	Lv.	12:05
30	5	Holichen	Arr.	9:10	Tungkiang	Arr.	13:00
		"	Lv.	9:15	"	Lv.	13:05
100	14	Lopei	Arr.	9:55	Fukin	Arr.	13:30
		"	Lv.	10:00	"	Lv.	13:40
75	9	Fukin	Arr.	10:30	Lopei	Arr.	14:10
		"	Lv.	10:10	"	Lv.	14:15
60	9	Tungkiang	Arr.	11:10	Holichen	Arr.	15:00
150	21	"	Lv.	11:15	"	Lv.	15:05
		Jaoho	Arr.	12:00	Chiamussu	Arr.	15:15
415	**58**						

Chiamussu-Moho — Moho-Chiamussu

(Wed.) (Thur.)

Distance (Km.)	Fare (M¥)						
		Chiamussu	Lv.	9:30	Moho	Lv.	12:40
230	32	Foshan	Arr.	11:00	Oupu	Arr.	13:50
		"	Lv.	11:05	"	Lv.	14:00
75	10	Wuyun	Arr.	11:40	Huma	Arr.	14:40
		"	Lv.	11:45	"	Lv.	14:45
230	32	Heiho	Arr.	13:10	Heiho	Arr.	16:00
		"	Lv.	8:00*	"	Lv.	9:30*
225	25	Huma	Arr.	9:40	Wuyun	Arr.	10:45
		"	Lv.	9:45	"	Lv.	10:50
130	18	Oupu	Arr.	10:40	Foshan	Arr.	11:20
		"	Lv.	10:45	"	Lv.	11:25
260	30	Moho	Arr.	12:30	Chiamussu	Arr.	12:45
1,150	**147**						

Note: * Indicates following morning.

Management

The management of the commercial air service of Manchoukuo is under the control of the Manchoukuo Aeronautical Company established on October 26, 1932. Capitalized at M¥13,970,000 the Company has been expanding its network of routes steadily. The air fares on the Manchurian air lines worked out in 1938 at about M¥0.065 per kilometer. Thus the fare for the flight from Dairen to Hsinking of 630 kilometers was M¥41, and that from Dairen to Chiamussu M¥96.00.

Hsinking-Tokyo and Tokyo-Tientsin Fast Air Services Opened

The much heralded "super express service" bringing Hsinking and Tokyo within less than ten hours of each other was inaugurated on June 1, 1937 when a powerful 12-passenger all-metallic Nakajima A.T. plans left the capital of each Empire early in the morning, and safely reached its destination, the Tokyo bound machine landing at the Haneda aerodrome at 4.30 p.m., 9 hours and 10 minutes after its departure from Hsinking, and the Manchuria-bound plane alighting at the Hsinking aerodrome at 5.15 p.m., after flying for 9 hours and 48 minutes.

The same day a ten-hour air service was also opened between Tokyo and Tientsin via Keijo and Dairen.

Air Ports of Manchuria Aeronautical Co.

Mukden Branch:
  Mukden, Chinchow, Chaoyang, Chiehfeng, Shanhaikwan, Lingyuan, Chengteh, Dairen, Shingishu, and Tunghua.
Hsinking Branch:
  Hsinking, Yenki, Tumen, Lungchingtsun, Tunhua, Kirin, and Ranan.
Harbin Branch:
  Harbin, Tsitsihar, Manchouli, Hailar, Peianchen, Taheiho, Mutankiang, Ilan, Fuchin, Pamientung, Taoan, and Nunkiang.

Mukden-Fukuoka Fast Air Service

As a result of the protocal recently concluded between the Manchuria Aeronautical Co. and the Japan Airway Co. with a view to expanding the air-service between the two Empires, a test flight was made successfully on 25th November, 1939 by a 10-passenger model 86 twin-motored Junker plane belonging to the former. The plane with 7 passengers and a staff of four left Mukden at 8:31 am. and arrived at the Fukuoka aerodrome at 2:18 p.m. via Keijo. The craft has a cruising speed of 330 kilometers per hour, and is expected to be engaged on this route regularly.

HOTELS

A chain of modern, western hotels are operated by the South Manchuria Railway Company. Known as Yamato Hotels, they are located at Dairen, Port Arthur, Mukden, Hsinking and Harpin. Fushun, Wulungpei (Goryuhai) and Peking have Japanese-style hotels under the management of the S.M.R. Similar establishments are to be found in Tsitsihar, Hulutao and the hot spring resort of Hsingcheng.

There are also several hundred Japanese-style hotels in Manchuria managed by individuals, the rates at these hotels, inclusive of Japanese breakfast and dinner, ranging from ¥3.50 to over ¥10.00 per person according to accommodations and regions.

Principal Hotels

(Year Ending March, 1938)

Along S.M.R. Lines	No. of guests	No. of dinning guests	No. of parties held	Revenue (¥)	Expenditure (¥)
Dairen Yamato Hotel	22,644	118,246	26,058	441,050	452,374
Hoshigaura " "	13,072	60,576	3,940	211,090	217,528
Ryojun " "	2,389	12,782	2,507	34,202	68,498
Mukden " "	20,544	147,087	18,408	469,115	472,254
Hsinking " "	17,069	132,680	21,488	415,900	441,619
Goryukaku	8,354	20,106	388	61,736	60,708
Chikushi-kan	1,026	2,107	...	7,952	9,247
Peking Fuso-kan	7,371	18,109	336	80,986	90,805
Total	92,469	511,693	72,125	1,722,032	1,813,133

(Continued)

	No. of guests	No. of dinning guests	No. of parties held	Revenue (¥)	Expenditure (¥)
Along State Lines					
Hsingcheng Wenchuang Hotel.	1,898	5,443	153	12,582	25,633
Hulutao Hotel	1,415	6,294	1,294	15,869	25,689
Tsitsihar Ry. Hotel	3,590	77,950	4,747	77,720	103,742
Harbin Yamato Hotel	10,186	52,323	4,999	233,527	365,871
Aerhshan Hotel	776	3,062	226	7,914	13,822
Total	17,865	145,923	11,419	347,612	534,757

References:

Table Nos.: 1-5 a, 6 a & b, 7-11 a, 12 c.
Key: a—Dept. of Communications, Manchoukuo.
b—Kwantung Bureau.
c—Manchuria Air Transport Co.

CHAPTER XV

RAILWAYS

General

The mileage of railways in Manchuria at the end of March, 1939 was 10,000.5 kilometers. Of this length 3,896.9 kilometers, were built after the establishment of Manchoukuo in 1932.

All of the railways of Manchoukuo are under the supervision of the South Manchuria Railway Company through an organ known as the "Tetsudo Sokyoku" (General Direction of Railways). With good rolling stock and standard gauge tracks the important cities in the country are within easy rail access.

The unification of the railways under one management was greatly facilitated by the purchase of the Chinese Eastern Railway from Soviet Russia in March, 1935 at the price of M¥170,000,000. By the purchase the state railways was increased by 1,732.4 kilometers and placed at Manchoukuo's command one of the most important lines in the whole territory.

Location of Railways.—The trunk lines of the railways in Manchoukuo form a rough T. This formation was the outcome of Tsarist Russia's far-flung plan to pierce Manchuria for the shortest route to Vladivostock and to find an year round ice free port in the south. The midsection of the T is represented by the city of Harbin, the lateral ends by Manchouli in the west and Suifenho in the east, while the lower end of the T is represented by Port Arthur.

Around this skeleton a series of tributary lines has been projected in the intervening years since the turn of the present century. In general the growth in branch lines has tended to move from South Manchuria to North Manchuria and this tendency has been especially pronounced since the establishment of the present government.

From the viewpoint of commercial importance four lines stand out prominently. There are the South Manchuria Railway trunk line between Dairen and Hsinking, the Hsinking-Tumen line, the Tumen-Chiamussu line and the Mukden-Shanhaikwan line. The Dairen-Hsinking line is 701.4 kilometers in length and connects the principal port of the country with the so-called granary of South Manchuria. The larger portion of local farm produce for export and incoming commodities for distribution in the hinterland is transported by this railway.

The Hsinking-Tumen line, 568 kilometers, and the Tumen-Chiamussu line, 444.9 kilometers, which run through the northeastern districts and are linked with the three North Korean ports of Yuki, Seishin and Rashin come next in importance. By these two lines, the majority of farm produce and lumber from North-east Manchuria are taken to the three ports for shipment abroad.

The Mukden-Shanhaikwan railway, 419.6 kilometers, links Manchoukuo with North China via the Peking-Shanhaikwan railway. This line play the principal rôle in the overland trade between Manchuria and North China. The fact also must not be overlooked that along the line are two good ports, Hulutao, Chinchow Province, and Hopeh, Fengtien Province, which both face the Gulf of Pechihli.

Railway Investment.—Expenditures for railways in Manchuria in the five years ending 1938 are estimated by Mr. M. Izawa, director of the South Manchuria Railway Company, at roughly ¥870,000,000. This amount is apportioned as follows: ¥400,000,000 for the construction of 4,000 kilometers of new railway lines under the First Railway Construction Program; ¥170,000,000 for the cost of repairing old lines; ¥50,000,000 for the cost of constructing and repairing harbors (the Yuki-Rashin line and the harbor of Hulutao included); ¥170,000,000 for the cost of purchasing the North Manchuria Railway (the former Chinese Eastern Railway); ¥80,000,000 for miscellaneous purposes. The amount comprised about two-thirds of the total sum of Japan's investments in Manchoukuo, war expenditures being excluded.

Operation of Railways.—The operation of the railways of Manchoukuo are entrusted to the Tetsudo Sokyoku (General Direction of Railways) which was established in October, 1936 at Mukden, succeeding the Tetsudo Sokyoku. The new organ takes under its control and supervision the operation of all Manchurian railways owned either by the South Manchuria Railway Company or by the Manchoukuo Government and those in North Chosen whose management had already been entrusted by the Korean Government-General to the South Manchuria Railway Company.

Table 1. General Statistics of Railways in Manchuria

(A) State Line

Year Ending[1] Mar. 31:	Length (Km.)	Passenger Carried		Goods Carried		Total Receipts (¥1,000)
		No. (1,000)	Receipts (¥1,000)	Quantity (1,000 m. tons)	Receipts (¥1,000)	
1934	3,403.0	7,869	14,711	8,918	36,080	50,791
1935	4,173.3	8,815	17,852	11,872	50,513	68,365
1936	7,207.0	13,280	28,678	14,956	69,104	97,782
1937	7,744.7	17,107	33,540	18,658	85,475	119,015
1938	8,182.9	19,818	41,561	20,955	101,805	143,366
1939*	8,365	28,876	....	24,314	....	....

(B) S.M.R. Line

Year Ending Mar. 31:	Length (Km.)	No. (1,000)	Receipts (¥1,000)	Quantity (1,000 m. tons)	Receipts (¥1,000)	Total Receipts (¥1,000)
1934	1,291.1	11,634	18,757	18,851	94,263	113,020
1935	1,291.1	13,786	20,333	21,671	101,489	121,822
1936	1,291.1	15,123	22,412	20,981	103,362	125,774
1937	1,291.1	15,750	22,302	21,377	103,165	125,467
1938	1,291.1	17,515	24,878	25,130	115,558	140,436
1939*	1,291,1	21,030	33,940	26,420	135,089	169,029

(C) North Chosen Line†

Year Ending Mar. 31:	Length (Km.)	No. (1,000)	Receipts (¥1,000)	Quantity (1,000 m. tons)	Receipts (¥1,000)	Total Receipts (¥1,000)
1934	344.4	747	507	519	1,134	1,641
1935	344.4	1,611	1,127	1,123	2,501	3,628
1936	344.4	1,718	1,175	1,474	3,351	4,526
1937	344.4	2,149	1,517	2,089	4,787	6,304
1938	344.4	2,441	1,770	2,433	5,842	7,612
1939*	344.4	3,060	....	....	....	....

Note: * Estimates.
† The management of this line was entrusted in November, 1936 to the S. M. R. Co. in view of heavy expansions in through traffic between north Chosen and Manchuria.

New Railway Lines

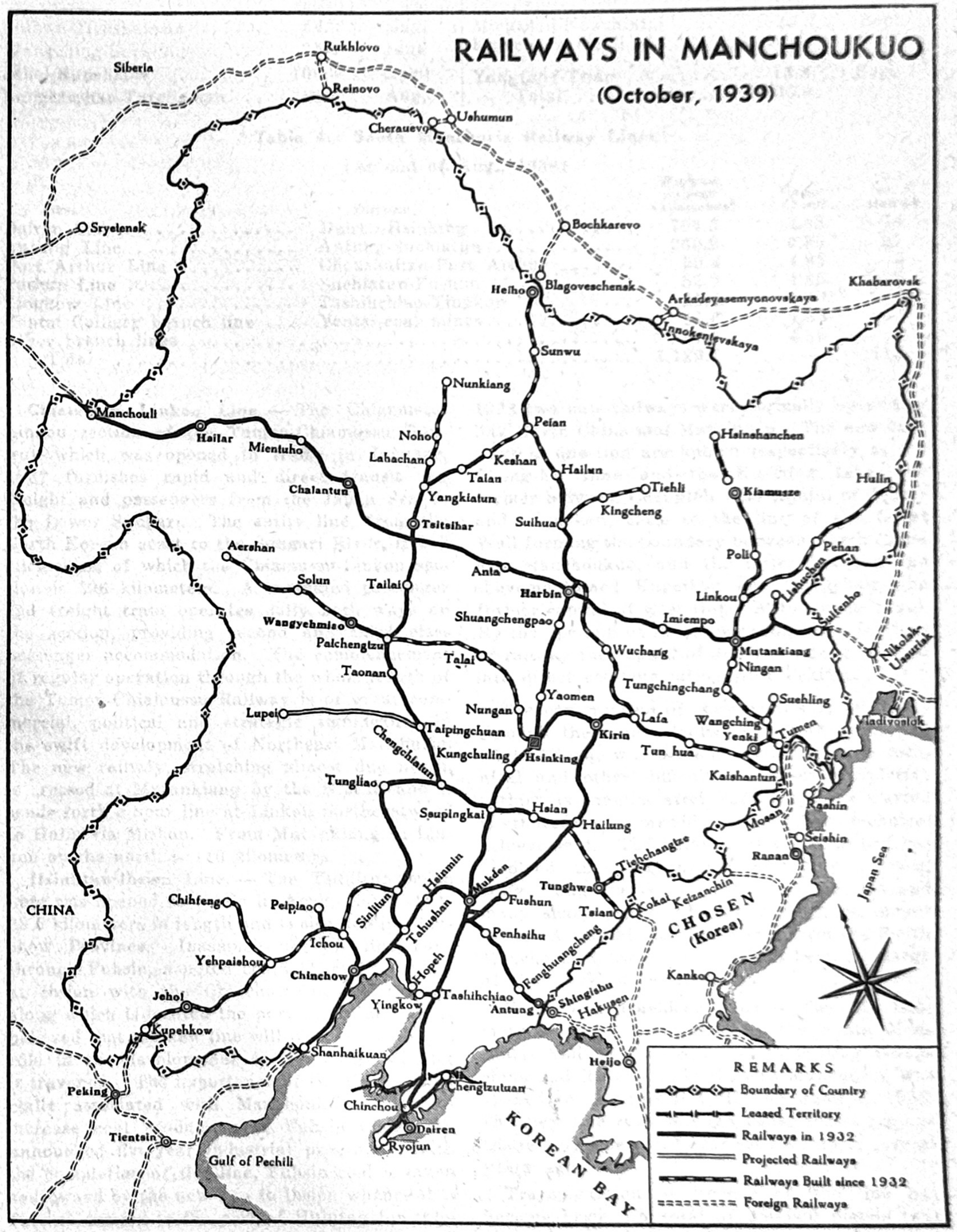
Several important railway lines were newly built in recent years. Among the more important are the following:

Table 2. Railways Built Prior to Founding of Manchoukuo in 1932

Line	Length (Kms.)	Opened to Traffic
Koupangtzu-Hopei	91.1	1900
Mukden-Shanhaikwan	419.6	1908
Lienshan-Hulutao	11.9	1920
Chinlingshih-Peipiao	17.9	1924
Chinhsien-Chinlingshih	94.7	1924
Tahushan-Tungliao	367.1	1927
Mukden-Kirin	447.6	1929
Hsinking-Tunhua	338.2	1928
Suchia-Hailun	15.4	1928
Tsitsihar-Taian	127.8	1930
Ningnien-Laha	48.0	1930
Ssupingkai-Tsitsihar	571.4	1920
Sungpu-Machuankou	7.4	1928
Yushutun-East Angangki ..	5.0	1929
Hsian-Shaho	67.3	1928
Paichengtzu-Wangyehmiao .	82.9	1931
Hsinking-Harbin	242.0	1903
Harbin-Manchouli	934.8	1903
Harbin-Suifenho	546.4	1903
Harbin-Pachu Bund	3.0	1903
Harbin-Taoli Bund	4.0	1903
S.M.R. Lines	1,129.1	——
Total	**5,572.6**	

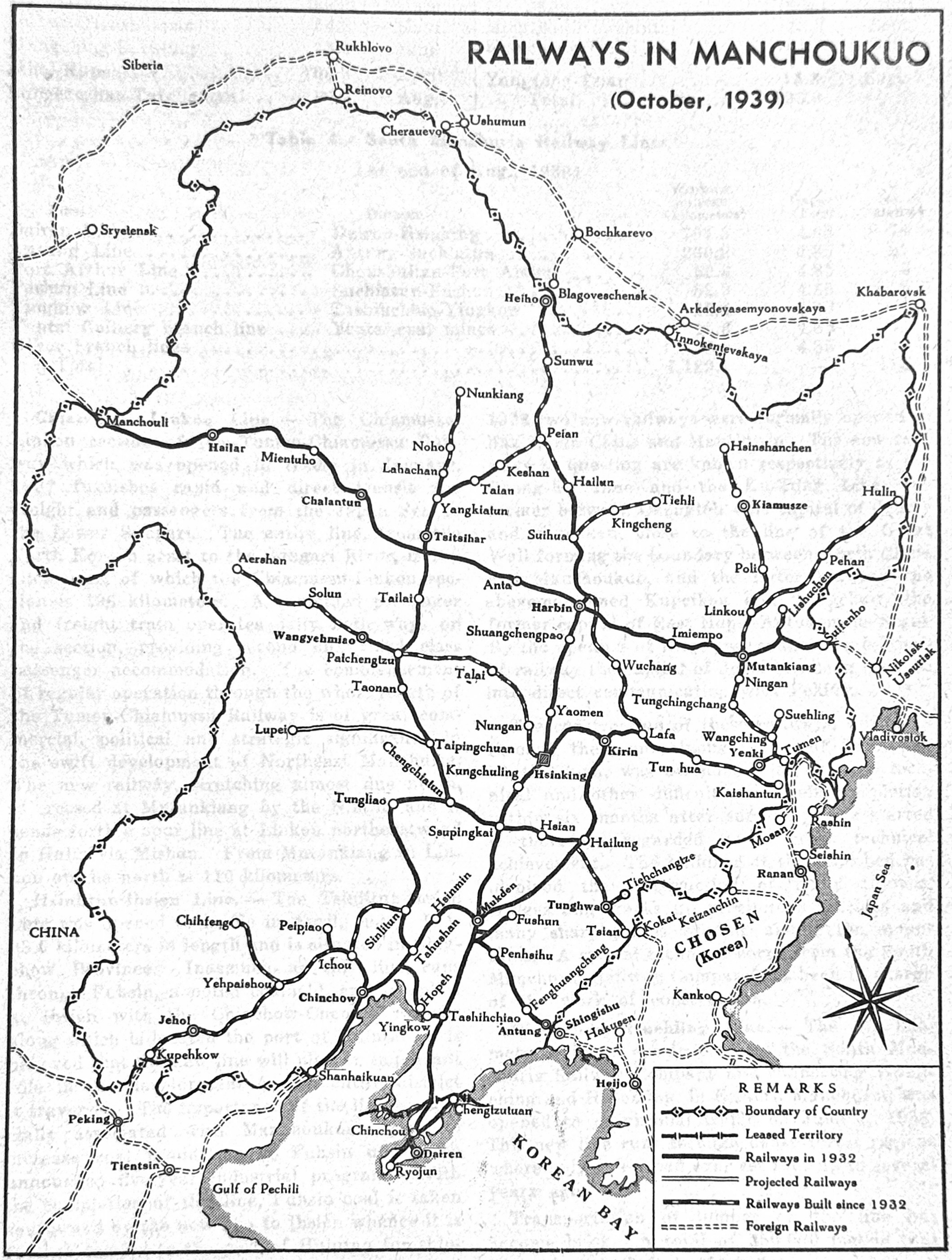
Table 3. State Railways Built Since 1933

Section	Length (Kms.)	Opened to Traffic
		1933
Tunhua-Tumen	191.9	Sept.
Taian-Peian	102.6	Dec.
Laha-Noho	38.8	”
		1934
Chaoyangchuan-Kaishantun.	59.5	Apr.
Sankuoshu-Suchia	15.4	Sept.
Hailun-Peian	106.0	Dec.
Hsingsungpu-Sungpu	4.2	Sept.
Lafa-Pinkiang	271.7	”
		1935
Pehan-Heiho	302.9	Nov.
Yehpaishoū-Chihfeng	146.8	Dec.
Hsinking-Paichengtzu	332.6	Nov.
Tumen-Linkou	359.7	July
Linkou-Mishan	170.9	”
		1936
Chinlingshih-Chengteh	341.4	June
Wangyehmiao-North Hsingan	238.7	July
Ssupingkai-Hsian	82.5	Sept.
Mishan-Hulin	165.5	Nov.
Hsinliutun-Ihsien	63.0	Nov.
		1937
Chiamussu-Chiamussu Bund.	3.0	Jan.
Tunghua-Meihokou	130.1	Oct.
Noho-Meikenr	93.5	July
Poli-Chiamussu	135.3	”
Linkou-Poli	86.2	”
Tunghwa-Laoyeh	67.0	April



RAILWAYS IN MANCHOUKUO
(October, 1939)

Siberia
Rukhlovo
Reinovo
Cherauevo
Ushumun
Sryetensk
Bochkarevo
Heiho
Blagoveschensk
Arkadeyasemyonovskaya
Innokentyevskaya
Khabarovsk
Sunwu
Nunkiang
Manchouli
Hailar
Mientuho
Chalantun
Noho
Lahachan
Peian
Keshan
Taian
Hailun
Yangkiatun
Tsitsihar
Suihua
Tiehli
Kingcheng
Hsinshanchen
Kiamusze
Hulin
Pehan
Poli
Aershan
Solun
Tailai
Anta
Harbin
Linkou
Imiempo
Suifenho
Nikolsk Ussuriisk
Wangyehmiao
Paichengtzu
Shuangchengpao
Talai
Wuchang
Mutankiang
Ningan
Taonan
Yaomen
Tungchingchang
Suehling
Lupei
Nungan
Taipingchuan
Kirin
Lafa
Wangching
Yenki
Tumen
Vladivostok
Chengchiatun
Kungchuling
Hsinking
Tun hua
Kaishantun
Tungliao
Ssupingkai
Hsian
Hailung
Mosan
Rashin
Seishin
Ranan
Japan Sea
Hsinmin
Mukden
Tiehchangtze
Tunghwa
Kokai
Keizanchin
CHINA
Chihfeng
Peipiao
Sinlitun
Tahushan
Fushun
Tsian
CHOSEN (Korea)
Ichou
Penhsihu
Fenghuangcheng
Yehpaishou
Chinchow
Hopeh
Jehol
Tashihchiao
Yingkow
Antung
Shingishu
Hakusen
Kanko
Kupehkow
Shanhaikuan
Heijo
Peking
Chengtzutuan
Chinchou
Dairen
Ryojun
Tientsin
Gulf of Pechili
KOREAN BAY
REMARKS
Boundary of Country
Leased Territory
Railways in 1932
Projected Railways
Railways Built since 1932
Foreign Railways


RAILWAYS IN MANCHOUKUO
(October, 1939)
Siberia
Rukhlovo
Reinovo
Ushumun
Cherauevo
Sryetensk
Bochkarevo
Heiho
Blagoveschensk
Arkadeyasemyonovskaya
Khabarovsk
Innokentievskaya
Sunwu
Nunkiang
Manchouli
Hailar
Mientuho
Noho
Peian
Lahachan
Keshan
Hailun
Hsinshanchen
Talan
Chalantun
Yangkiatun
Tiehli
Kiamusze
Hulin
Kingcheng
Tsitsihar
Suihua
Aershan
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Nungan
Lafa
Wangching
Vladivostok
Lupei
Taipingchuan
Kirin
Tumen
Yenki
Chengchiatun
Kungchuling
Hsinking
Tun hua
Kaishantun
Tungliao
Ssupingkai
Hsian
Rashin
Hailung
Mosan
Seishin
Ranan
Tiehchangtze
Japan Sea
Hsinmin
Mukden
Tunghwa
Keizanchin
Chihfeng
Peipiao
Sinlitun
Fushun
Tsian
Kokai
CHOSEN
(Korea)
CHINA
Tahushan
Ichou
Penhsihu
Fenghuangcheng
Yehpaishou
Hopeh
Chinchow
Kanko
Shingishu
Jehol
Yingkow
Tashihchiao
Antung
Hakusen
Kupehkow
Shanhaikuan
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Section	Length (Kms.)	Operated to Traffic 1938	Section	Length (Kms.)	Opened to Traffic 1938
Suihwa-Tiehshanpao	54.2	May	Mingshan-Newshintai	13.3	Sept.
Wangching-Suehling	75.0	June	Kingcheng-Tiehli	101.9	Oct.
Jehol-Kupehkow	106.3	April	Yangfeng-Tsian	13.8	1939 Sept.
Lungtanshan-Tafengman ..	22.7	Aug.	Total	3,896.9	

Table 4. South Manchuria Railway Lines

(At end of Aug., 1938)

Lines	Distance	Working mileage (kilometers)	Gauge (Feet)	No. of stations
Dairen Line	Dairen-Hsinking	704.3	4.85	74
Antung Line	Antung-Suchiatun	260.2	4.85	27
Port Arthur Line	Choushuitzu-Port Arthur	50.8	4.85	5
Fushun Line	Suchiatun-Fushun	52.9	4.85	6
Yingkow Line	Tashihchiao-Yingkow	22.4	4.85	1
Yentai Colliery branch line ...	Yentai-coal mines	15.6	4.85	—
Other branch lines		22.9	4.85	2
Total		1,129.1	—	115

Chiamussu - Linkou Line. — The Chiamussu-Linkou section of the Tumen-Chiamussu Railway which was opened to traffic in January, 1937 furnishes rapid and direct transit for freight and passengers from the Japan Sea to the Lower Sungari. The entire line, from the North Korean coast to the Sungari River, is 580 kilometers, of which the Chiamussu-Linkou section is 196 kilometers. A combined passenger and freight train operates daily both ways on the section, providing second and third class passenger accommodation. The commencement of regular operation through the whole length of the Tumen-Chiamussu Railway is of great commercial, political and strategic significance in the swift development of Northeast Manchuria. The new railway, stretching almost due north, is crossed at Mutankiang by the N.M.R. and it sends forth a spur line at Linkou northeastward to Hulin via Mishan. From Mutankiang to Linkou on the north is 110 kilometers.

Hsinlitun-Ihsien Line. — The Tsinlitun-Ihsien Line was opened to traffic in April, 1937. It is 68.5 kilometers in length and is situated in Chinchow Province. Inasmuch as this line runs through Fuhsin, a noted coalfield, and is linked at Ihsien with the Chinchow-Chengte railway along which is located the port of Hulutao, it is believed that the new line will play an important rôle in the development of the entire district it traverses. The importance of the line is especially associated with Manchoukuo's plan to increase coal production at Fuhsin under the announced five-year industrial program. With the completion of this line, Fuhsin coal is taken southward by the new line to Ihsien whence it is further carried to the port of Hulutao for shipment to Dairen and other outside ports.

Cheng-Ku and Ku-Tung Lines.—On March 28, 1938 two new railways were formally opened to link North China and Manchuria. The new railways in question are known respectively as the Cheng-Ku Line and the Ku-Tung Line, the former between Chengteh (the capital of Jehol) and Kupeikou, close to the line of the Great Wall forming the boundary between North China and Manchoukuo, and the latter between the abovementioned Kupeikou and Tungchow, the former capital of East Hopei Autonomous State. By the opening of these two connecting sections of railway the capital of Jehol has been brought into direct communication with Peking.

The construction of these railways, especially through the mountainous region of Jehol and North China, was attended with extreme technical and other difficulties. Their completion within six months after surveying was started is therefore regarded as a great technical achievement. The building of the road bed has involved the construction of many tunnels, bridges and tracks up precipitous hillsides and many sharp passes winding among the mountains. A special technical corps from the South Manchuria Railway Company has been in charge of the work of construction.

Wangching-Hsuehling Line. — The 75 kilometer railway constructed by the South Manchuria Railway Company and connecting Wangching and Hsuehling, in Eastern Manchuria, was opened to provisional traffic on June 1, 1938. This new line runs through dense forest regions where only a few had ever set foot up to several years ago.

Transportation of lumber on the line has become brisk. A total of 250,000 metric tons of lumber, including 150,000 tons of logs and 50,000 tons of sleepers, were produced in 1938.

RAILWAY HISTORY

The first railway construction in Manchuria was made by Great Britain and Russia, in competition against each other, in the period from 1890 to the beginning of the 20th century. Great Britain established her influence in Manchuria by constructing the North China Railway which now connects Peking with Mukden. This railway was at first a short, light railway for carrying the output of the Kaiping coal mine, situated between Shanhaikwan and Tientsin. From about 1887, Li Hung-chang attempted to further extend this light railway line from military consideration against Japan, and although it was first planned to carry out the proposed extension with native capital, he failed. Then, obtaining the loan of funds from Great Britain, Germany, Russia and other countries, construction was started to extend the line southward to Tientsin and Peking, and eastward to Yingkow and Mukden. It was in 1894, the first year of the Sino-Japanese War, that the eastern extension of the line crossed the Shanhaikwan barrier and entering Manchuria reached Suichung, about 90 kilometers from Shanhaikwan. Thus, this line was the first railway constructed in Manchuria.

As Russia obtained the privilege of constructing the Chinese Eastern Railway in 1896, the British and Chinese Corporation granted a loan of 2,300,000 pounds sterling to the Peking Government in October, 1898, and urged the speedy construction of the eastern extension of the railway of North China. As the result of this British activity confronting the Russian advance, the main line was extended in 1903 to Hsinmintun situated in the important locality on the middle course of the Liao River, and a branch line was constructed to Yingkow on the lower stream of the Liao, which was the only open port of Manchuria until October, 1903. (The connection between Hsinmintun and Mukden was completed in 1907).

But the advance of this Peiching or North China Railway into Manchuria was not made without resistance by Russia. Russia insisted that the entire territory of Manchuria was under her influence and opposed the advance of British capital into Manchuria. In September, 1896, Russia obtained the right of constructing and operating a railway line crossing North Manchuria east to west and also "absolute and exclusive right of administration" in the railway zone. Then in July, 1898, Russia secured a similar right to construct a branch line from a station (Harbin) on the main line to Port Arthur and Talienwan, and also to Yingkow. The construction of the main line of the Chinese Eastern Railway extending from Manchouli to Pogranichnaya was commenced in May, 1898, and finished in 1901. The southern line, including the Yingkow branch, was completed in 1903. The main and branch lines, comprising 2,500 kilometers, were opened to traffic on July 1, 1903.

It was in the same year that the North China Railway, under British capital, reached Yingkow, and thus South and North Manchuria came to be connected by railways at the Liao River, by the capital of the two great Powers which rivalled each other to gain influence in China.

By the terms of the Portsmouth Treaty of September, 1905, concluded to end the Russo-Japanese War, Japan succeeded to the Russian railway in Manchuria, south of Changchun (Hsinking) totalling about 840 kilometers. Also, according to the agreement attached to the Sino-Japanese Treaty concluded in December, 1905, Japan secured the right of improving the light railway between Antung and Mukden, about 290 kilometers, constructed by the Japanese Army during the Russo-Japanese War. The gauges of these railways were divergent as the line constructed by Russia was of five feet, the portion of the Russian railway occupied by Japan during the war was of the narrow gauge as used in Japan, and the Antung-Mukden light railway was 2 feet six inches wide. The South Manchuria Railway Company changed these latter lines to the international wide gauge of 4 feet 8½ inches, by May, 1908. The expenditure required for this improvement was defrayed by debentures floated in England, amounting to more than ¥42,000,000.

Fengshan Railway.—The Fengshan railway comprises the section between Mukden and Shanhaikwan of the Peiping-Mukden line. The railway is the oldest in Manchoukuo and its construction was started in 1893 as the extension of the line between Peking and Shanhaikwan. The section from Shanhaikwan to Hopei was opened to traffic in 1899, that from Koupangtzu to Hsinmin in 1903. During the Russo-Japanese war the Japanese built a light railway connecting Hsinmin with Mukden and in 1908 the Chinese government purchased it at the price of ¥1,660,000 by incurring a loan from the Japanese government gauge.

The lines dividing out from the foregoing railway were construction as follow: Chinchou-Peipiao line in 1924, Hulutao line in 1911, Tahushan-Tungliao line in 1927. Later the administration of the Three Eastern Provinces

connected the Tahushan-Tungliao line with the Ssu-Tao, Tao-Ang and the Tsi-Ko lines with the object of bringing pressure to bear on the South Manchuria Railway. The line between Shanhaikwan and Hsinmin, and the Yingkow branch line were constructed with loans incurred by the Chinese government from the British & Chinese Corporation and the Hongkong & Shanghai Banking Corporation amounting to £2,300,000, which is known as the Peking-Newchwang loan. The British interests had attempted to take control of the railway by negotiating with the Chinese government but through objections from the administration of the Three Eastern Provinces the plan failed to materialize. Since the independence of Manchoukuo the government has been refunding the said loan, the first payment on which was made in September, 1932 amounting to £65,850.

Feng-Ki Railway.—The Feng-Ki railway connects Fengtien (Mukden) with Kirin by way of Chaoyangchen, and consists of what were formerly known as the Shen-Hai (Shenyang-Chaoyangchen) and the Ki-Hai (Kirin-Chaoyangchen) railways. The section from Shengyang to Chaoyangchen was constructed wholly with Chinese capital through the Fenghai Railway Company capitalized at 20,000,000 Fengtien tayang. Construction of the line was started in July, 1925 and completed in 3 years, 2 months.

In 1928 the line was purchased by the Chinese government and made into a government railway, the name being changed simultaneously to the Shen-Rai Railway Company. The Manchurian Incident disrupted business on the line and in March, 1932 it was brought under the control of the Communications Department of the Manchoukuo government.

The section from Kirin to Chaoyangchen was planned in 1926 and in November of the same year a railway office was established and a sum of 12,000,000 Kirin-tayang was allotted as constructional expenses. Surveying of the line was started in March 1927 and actual construction begun in June of the same year. Due to lack of funds and building materials constructional progress on the line was slow and it was only in November 1928 that the section between Chaoyangchen and Panshih was completed. In May 1929 the rest of the line to Kirin was completed. From a technical point of view the construction of the line was a violation of the privilege granted Japan by the protocols attached to the Treaty of Peking signed on December 22, 1905, Paragraph 3 of which reads: "The Chinese Government engage, for the purpose of protecting the interest of the South Manchuria Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighbourhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the abovementioned railway." With the founding of Manchoukuo the line was taken over by the new government.

King-Tu Railway.—The King-Tu railway consists of the three principal lines, the Ki-Chang, connecting Kirin with Hsinking, the Ki-Tun, connecting Kirin with Tunhua and the Tun-Tu, connecting Tunhua with Tumen. The Ki-Chang railway was to have been constructed as a branch line of the Chinese Eastern Railway by virtue of the Provisional Agreement signed between the Chinese Eastern Railway Company and the Chinese Government in September 1902. The outbreak of the Russo-Japanese war (1904-05), however, automatically dissolved the construction of the line. Following the war Japan acquired the right of advancing one-half of the constructional cost of the railway by virtue of the protocol attached to the Treaty of Peking. This agreement was later revised by the Hsin-Feng and Ki-Chang Railways Agreement whereby one-half of the constructional expenses were defrayed by the South Manchuria Railway Company. In August 1909 the Ki-Chang Railway Loan Contract was signed whereby the South Manchuria Railway Company advanced a loan of ¥2,150,000 to the Communications Department of the Chinese Government. Accordingly, in 1910 construction was started on the line, and completed in October, 1912. In 1917 the loan contract was revised. The amount was changed to ¥6,150,000 and the period of redemption to 30 years, while the South Manchuria Railway was given the privilege of supervising the line.

The Ki-Tun Railway was established following the agreement signed between the South Manchuria Railway and the Communications Department of the Chinese Government in 1925. In February 1926 a construction office was established and actual work on the line was started in June of the same year. The line was completed in October, 1928. Until 1931 when the Ki-Tun and Ki-Chang railways were merged the lines had been operating independently in spite of an agreement calling for their joint operation. This hitch in operation was caused, according to the Chinese Government, by the high constructional expenses of the Ki-Tun railway which amounted to ¥2,400,000. At present both lines are under the supervision of the South Manchuria Railway.

The Tun-Tu Railway was completed in April 1933, the construction having been started in

May, 1932. The line connects Tunghua and Tumen, as stated above, and its importance is greatly due to its medium as a connecting link between North Chosen and Hsinking. Plans for this line were formulated some twenty years ago. The line came under the control of the General Direction of Manchoukuo State Railways in September, 1933 and simultaneously the three lines, namely, the Ki-Chang, Ki-Tun and Tun-Tu were merged and called the King-Tu Railway.

Ping-Tsi Railway.—The Ping-Tsi railway connects Ssupingkai with Sanchienfang (Anganki), by way of Taonan and consists of what were formerly known as the Ssu-Tao (Ssupingkai-Taonan) and the Tao-Ang (Taonan-Anganki) lines. Construction of the section between Ssupingkai and Taonan was divided into three stages, namely, the first stage from Ssupingkai to Chengchiatun, the second from Chengchiatun to Tungliao and the third from Chengchiatun to Taonan.

The line between Ssupingkai and Chengchiatun was started in April, 1917 the funds for its construction being met by a loan made to the Chinese Government by the Yokohama Specie Bank in December, 1915. The line was completed in December, 1917.

The negotiations for constructing the line from Chengchiatun to Tungliao and that from Chengchiatun to Taonan were carried out in September 1919 between the Chinese Government and the South Manchuria Railway company. Construction on the Chengchiatun-Tungliao or Cheng-Tu line was begun in April 1921 and completed in January 1922. Construction on the Chengchiatun-Taonan or Cheng-Tao line was begun in September 1921 and completed in November 1923. The loan advanced by the Yokohama Specie Bank which was ¥5,000,000 has since been refunded by the Chinese Government. The aggregate loan advanced by the South Manchuria Railway for the same purpose to the Chinese Government amounted to ¥32,000,000, including ¥10,000,000 of the first issue. The loans remained unrefunded until the outbreak of the Manchurian Incident. In December 1931 the Ssu-Tao Railway recognized its debt amounting to ¥49,000,000, following the approval obtained from the Fengtien Provincial Government and the new Northeastern Communications Committee, and entrusted the supervision of the entire line to the South Manchuria Railway Company.

The section from Taonan to Sanchienfang (Anganki) was completed in July 1926. Russia's attempt to obtain control of construction rights of the railway through the medium of Belgian interests was frustrated in 1913. In 1924 the administration of the Three Eastern Provinces and the South Manchuria Railway Company reached an agreement whereby the latter company obtained the rights for constructing the line at a cost of ¥12,920,000. The loans for the railway remained unrefunded by the reigning Chang family until the outbreak of the Manchurian Incident.

Tao-So Railway.—The Tao-So railway connects Taonan and Huiyanchen. Plans for constructing the railway were started in 1926 but actual construction work was begun in 1928. The object for the line was purely a personal one of Chang Tso-lin in establishing facilities for transporting his troops in his retreat from Peking in June 1928. Construction on the line was commenced in April 1929 and completed in February 1931. The extension of the line from Huiyuanchen to Solun was completed in 1935.

Tsi-Pei Railway.—The Tsi-Pei Railway consists of two principal lines, one connecting Sanchiengfang with Peian via Tsitsihar, and the other connecting Ningnien with Noho. The line between Sanchienfang and Peian was first considered as an extension of the Tao-Ang railway. Objection to this project was expressed by the Chinese Eastern Railway as violating treaty rights forbidding the crossing of the C. E. R. by other lines. As a result the Chinese authorities cut off the line at Sanchienfang (formerly Angangki) temporary but in July 1928 upon reaching a compromise with the C. E. R. the Chinese authorities created a railway bridge over the C. E. R. lines and extended the line in December 1928 to Tsitsihar. The line between Tsitsihar and Koshan (Tsi-Ko) was begun in June 1928 but due to lack of funds only a part of the line, that extending from Tsitsihar to Taian, was completed by March 1930. Since the Manchurian Incident construction on the line has continued and the stretch between Taian and Koshan and to Peian was completed in December 1932. In December 1933 the two principal lines were merged and called the Tsi-Pei Railway.

Pin-Pei Railway.—The Pin-Pei railway consists of two lines, one running from Hailun to Harbin and the other from Hailun to Peian. Plans for constructing the section from Harbin to Hailun were under consideration since the Russo-Japanese War and a Construction Office was established in 1911. Due to the revolution in China in that year work on the line was delayed. In that year the Chinese Government gained the approval of obtaining a loan from the Russo-Asiatic Bank for the construction of the line not only to Hailun but to Heiho on the Russo-Manchurian border. The construction of the line failed to materialize, however, due to objections raised by China on mutual supervision of the line and due to the Russian Revolution. In 1925 Wu Chun-sheng, Governor of Heilungkiang Province, proposed the building of the section between Harbin and Hailun and established an organ known as the Hu-Hai Railway Company, capitalized at 10,000,000 yuan. Construction of the line was actually begun in 1926 and completed in December 1928.

The stretch between Hailun and Peian consists of a section of the Hai-Ko Railway which connects Hailun and Koshan. The completion of the Hai-Ko line was effected in December, 1933. Since December of the same year the Hu-Hai railway and the line between Hailun and Peian have been incorporated in the Pin-Pei Railway. The importance of the Pin-Pei Railway is due largely to its connection with the Harbin-Lafa line.

Fusan-Peking Through Train Service

Through train service between the port of Fusan, Chosen and Peking was inaugurated on October 1, 1938. As a result the two points can be negotiated in thirty-nine hours. The express leaving Fusan at 8:15 a.m. arrives at Peking the following evening at 11.35 p.m.

Fusan-Hsinking Through Train Service

The through train service connecting Fusan and Hsinking brings the two points within twenty-seven hours of each other. The express leaving Fusan at 7.30 a.m. arrives at Hsinking the following morning at 11.42. Keijo is reached enroute at 3.20 a.m. of the first day, Antung at 0.30 a.m., and Mukden at 7.00 a.m.

Freight Traffic

Freight traffic on the railways of Manchuria have been brisk in recent years. In the year ending March 31, 1939 a total of 49,500,097 metric tons of goods were hauled. The trend of railway freight traffic in recent years is as follows:

Table 5. Goods Hauled by Kinds
(%)

Year ending March 31:	Agricultural products	Live-stock	Forestry products	Aquatic products	Mineral products	Industrial products	Other goods	Total	Business goods	Office goods
1931 ...	31.0	0.4	5.5	0.9	40.6	7.9	13.5	100.0	83.1	16.9
1932 ...	40.0	0.3	3.7	0.7	36.6	7.8	13.6	100.0	85.5	14.5
1933 ...	36.4	0.4	3.2	1.1	33.0	13.1	12.8	100.0	91.9	8.1
1934 ...	24.5	0.3	8.1	1.0	38.2	15.2	11.3	100.0	88.0	12.0
1935 ...	16.7	0.3	6.2	1.2	55.3	16.5	3.4	100.0	80.0	20.0
1936 ...	16.2	0.3	6.5	1.0	54.0	13.0	8.4	100.0	80.5	19.5
1937 ...	16.9	0.4	7.1	1.8	54.0	12.2	8.3	100.0	78.7	21.3
1938 ...	16.2	0.4	7.4	1.5	45.8	14.6	14.1	100.0	87.2	12.8

Table 6. Principal Commodities Hauled
(Unit: 1,000 metric tons)

Year Ending Mar. 31:	Soya Beans	Kao-liang	Maize	Millet	Wheat	Other seeds	Bean oil	Bean cake	Total
1937	2,667	513	286	356	...	...	21	239	5,481
1938	2,643	573	393	293	563	1,116	24	322	5,926
1938:									
S. M. R.	586	172	77	126	1	451	10	139	1,562
Chinchow Ry. Bureau..	46	181	70	51	0	174	1	17	539
Kirin " ..	487	46	41	10	0	133	1	19	737
Mutankiang " ..	213	10	5	2	26	36	1	7	301
Harbin " ..	948	41	75	35	369	125	9	125	1,726
Tsitsihar " ..	337	123	125	61	165	158	1	14	984
N. Chosen Office	26	0	1	8	0	39	0	1	76

Year Ending Mar. 31:	Timber	Coal	Minerals	Cement	Wheat flour	Cotton yarns & tissues	Iron, Steel and Mfrs.	Gunny bags	Grand total incl. others
1937	1,560	11,169	...	568	486	129	1,119	129	36,408
1938	1,520	11,050	1,346	562	505	142	1,323	151	40,122
1938:									
S. M. R.	326	9,231	1,054	379	124	97	1,092	90	20,767
Chinchow Ry. Bureau.	48	293	11	3	15	18	46	9	2,848
Kirin " ..	309	694	162	58	15	6	29	8	3,915
Mutankiang " ..	325	139	0	2	18	1	18	4	2,624
Harbin " ..	219	38	109	35	295	11	55	28	5,318
Tsitsihar " ..	114	57	1	2	34	3	17	11	2,929
N. Chosen Office	189	599	8	83	5	6	67	1	1,721

Freight Rates

The South Manchuria Railway Company announced on July 1, 1938 a wholesale revision of freight rates on all lines (the S. M. R. lines, the Manchoukuo State Railways and the North Chosen Railways) under the operation of the Company to be effective commencing October 1, 1938. The main points of the revision are as follows:

(1) The system of diminishing rates for longer distances and uniform rates will be enforced on all lines in Manchuria.

(2) Preferential rates will be set for cereals, livestock, lumber, coal and other minerals, which are vitally related to Manchoukuo's Five-Year Industrial Plan, showing further reductions for longer distances.

(3) Goods to be transported in small lots and by carload on Manchoukuo State Railways and S. M. R. lines, which were divided into six grades each, will be divided into three grades and those by carried into four grades to simplify classification.

(4) For shipments containing more than 2,000 kilogrammes of one product a special 25 per cent. reduction will be made.

(5) The scope of goods coming under the classification of daily necessities for which special rates are prescribed will be enlarged, while the special rates for daily necessities already in force on certain lines will be extended to other lines.

(6) For the better utilization of the three North Korean ports, Rashin, Seishin and Yuki, uniform rates will be enforced for goods shipped between any of these ports and stations on Manchoukuo State Railways and S. M. R. lines.

With the projected revision of railway freight rates in Manchuria, the burden on shippers was expected to be lightened to the amount of ¥10,000,000 in 1938 and ¥18,000,000 in 1939, estimating that the amount of goods in 1939 will be about the same as in 1938. The estimated decrease in revenue from various products is as follows:

	1938 (¥1,000)	1939 (¥1,000)
Agricultural produce	5,380	7,492
Timber, wood and manufactures thereof	537	1,533
Mineral products	2,761	5,877
Live-stock	273	512
Industrial products, etc.	1,110	2,518
Total	10,061	17,932

THE SOUTH MANCHURIA RAILWAY COMPANY

The South Manchuria Railway Company has played an important role in the transportation service of Manchuria during the last three decades.

The railway system that the Company first took over from the Japanese Government in April, 1907, was rather in a depleted state. During the Russo-Japanese War, most of the rolling stock was withdrawn by the Russians, or destroyed in their retreat, and the bridges were blown up. With the advance of the Japanese armies to the north, the track was changed from the five-feet Russian gauge to the narrow gauge used by the railways in Japan so that Japanese rolling stock might be more readily utilized in the Manchurian campaign. Before the Company came into existence, however, the standard gauge of 4 ft. 8½ inches had been already adopted in Korea and China. In order to serve international trade on the Asiatic continent more efficiently, the South Manchuria Railway Company promptly adopted the standard gauge and proceeded to lay a double track as ordered by the Government.

In adopting the standard gauge, it was necessary to import rails and rolling stock from abroad so that the work of reconstruction might be quickly carried out without much interruption of traffic. Immediately after the railways were transferred from Government control on April 1, 1907, a comprehensive programme of reconstruction was started. The work of widening the gauge on the Dairen-Port Arthur branch line, (31.6 miles) was completed by December 1, 1907; that on the Dairen-Changchun (present Hsinking) via Mukden main line, (438.5 miles), by April 30, 1908, and that on two other branch lines, one to Yingkow and the other to Fushun Mine by May 30. The doubling of the track between Dairen and Suchiatun (near Mukden), a distance of 283 1/3 miles, was begun at the same time and was completed on October 27, 1909. The doubling of the track between Suchiatun and Mukden, a distance of ten miles, begun in June, 1915, was completed in November, 1918. The work on the line between Mukden and Hsinking was begun in 1919. The original Russian 65 lb. rails were first replaced with 80 lb. and later with 100 lb. rails. The roadbed being constantly improved, the steepest grade on the trunk line between Dairen and Hsinking is now only one per cent., while the shortest radius of any curve is 15 chains.

The line between Antung and Mukden was originally built as a light military railway by the Japanese during the Russo-Japanese War. As already stated, Japan obtained from China the right to reconstruct the railway on standard gauge and operate and maintain the same for international railway traffic. When the railway was transferred to the charge of the Company, it was decided to substitute the standard gauge within three years. But, owing to the controversy which arose on the subject between China and Japan, and to the line traversing mountainous regions, the reconstruction work was delayed until August 7, 1909, when the tunneling work at Fuchinling was begun. The whole work, including 24 tunnels, 205 bridges, and 213 culverts, was completed in two years and three months, and on November 1, 1911, the opening of this 161-mile railway was held with appropriate ceremonies. The cost amounted to about 25,000,000 yen.

References:

Table Nos.: 1·6 a, 7 b.
Key: a—S. M. R. Co.
b—Manchuria Public Information Assn.

CHAPTER XVI

AGRICULTURE

Introductory Remarks

Manchuria is one of the large agricultural countries of the world, and farming forms the backbone of the nation's economy. About 41,158,000 hectares, or approximately 31.5 per cent of the entire country is arable. This compares with only 16 per cent for Japan proper. The area at present under cultivation amounts to roughly 16,800,000 hectares, which works out at about 41 per cent of the arable area of the entire country.

Table 1. Utilization of Land and Farming Population (1937)

(A) Land Utilization

	(1,000 hectares)	%
Arable Land	**41,158**	**31.5**
Cultivated	16,796	12.9
Not Yet Cultivated .	24,362	18.6
Unarable Land	**89,156**	**68.5**
Forest Zone	31,422	24.1
Others	58,000	44.4
Grand Total	**130,314**	**100.0**

(B) Farming Population

	(1,000)	%
*Farming Population ..	25,667	88.7
*Farming Households ..	4,008	85.2

Note: * Statistics are for 1934 and percentages are against the total population and total households of Manchoukuo.

Climatic conditions are generally favorable to cultivation. The year is characterized by the short duration of spring and autumn and the comparatively long summers and winters. With consideration of such conditions and the seasons and amount of rainfall, the choice of crops, the period of planting and harvesting are accordingly determined. The country as a whole is marked by continental dryness, which is particularly emphasized in the west and whatever rainfall is mostly centered in the eastern half of the country. Frost prevails in North Manchuria for some 225 days during the year and in South Manchuria for some 180 days and moisture is thickest in the months of June and July. Taking advantage of the thick moisture in June and July planting is undertaken and harvest is done in the dry season.

The agricultural crops raised in Manchuria comprise some sixty varieties. Compared with the 401 for Japan, this number is rather small. In fact, the diversity is even less than a third of that of Hokkaido and Korea. This is accounted for by the fact that the dry climate and the alkaline character of the soil compel the choice of such crops as are suited to such climate and such soil. The limited number of crops raised, however, implies the extensiveness of the area applied to each crop. The area devoted to soya beans, Italian millet, wheat and maize range respectively form one to three or four million hectares.

Position of Agriculture in Foreign Trade.—Manchoukuo's exports consist in the main of agricultural products. In 1938 the export of agricultural products amounted to 418 million yuan representing 58 per cent of the country's total exports. The arable area and farming population are listed below:—

Table 2. Farming Land and Population

(Unit: 1,000 hectares)

(A) Exclusive of Hsingan Provinces

Name of Province	*Farming Population		Total Area	Unarable land		Arable land		Cultivated land		Not yet cultivated	
	(1,000)	% to total pop.			% to total		% to total		% to arable land		% to arable land
Kirin	3,525	85.9	8,991	4,512	50.2	4,479	49.8	3,040	67.9	1,440	33.1
Lungkiang ..	1,078	85.6	12,564	4,248	89.9	8,316	66.2	2,101	25.3	6,215	74.7
Hieho	31	61.6	10,981	9,876	89.9	1,106	10.1	54	4.9	1,051	95.1
Sankiang ...	734	78.2	10,754	5,477	50.9	5,277	49.1	752	14.3	4,525	85.7
Pinkiang Mutankiang	3,428	88.8	14,343	7,857	54.8	6,485	45.2	3,530	54.4	2,956	45.6
Chientao ...	401	70.2	2,939	2,522	85.8	417	14.2	166	39.7	251	60.3
Antung Tunghwa ..	2,246	86.5	4,823	4,246	88.0	577	12.0	418	72.5	159	27.5
Fengtien ...	7,103	80.4	8,555	4,817	56.3	3,737	43.7	2,919	78.1	818	21.9
Chinchow ...	2,796	88.8	3,946	2,681	67.9	1,265	32.1	1,154	91.2	111	8.8
Jehol	2,286	91.4	9,659	8,640	89.4	1,019	10.6	782	76.8	237	23.2
Harbin Spe. City	25	90.7	93	36	38.8	57	61.2	45	79.3	12	20.7
Total ..	25,667	84.7	87,647	54,912	62.7	32,736	37.3	14,960	45.7	17,775	54.3

Note: * Indicates population in 1934.

(B) Four Hsingan Provinces

	Agricultural area		Pastoral area		Agri.-Pastoral area		Forestry zone		Waste land		Total
		% to total		% to total		% to total		% to total		% to total	
Eastern Hsingan ..	365	3.5	913	8.5	548	5.2	4,924	45.9	3,924	36.7	10,675
Southern " ..	760	9.6	1,520	19.3	2,165	27.5	950	12.0	2,507	31.6	7,902
Western " ..	715	8.8	1,789	22.2	1,074	13.3	109	1.4	4,352	54.0	8,041
Northern " ..	1,633	10.0	4,896	30.6	1,632	10.2	4,924	30.6	2,955	18.4	16,039
Total	3,472	8.1	9,116	21.4	4,774	12.2	10,908	25.5	13,739	32.3	42,657

Agricultral Division

Manchoukuo may be divided into four parts according to its physical configuration and distribution of arable lands. These are:

(1) South-eastern portion; (2) South-western portion; (3) Central portion; (4) Northern portion.

1. The chief features of the South Eastern portion, which, comprises the whole basin of the Yalu and the Liaotung Peninsula, are its prominent mountains and, in general, its sandy and sterile soil with its mixture of gravel. The Japanese leased territory of Kwantung is very hilly and the soil is especially poor. But, since it is the most densely populated portion of Manchoukuo, every inch of arable land, even the hillside and the river bed, is under cultivation. The same condition prevails more or less in other parts of this portion with the exception of the districts along the upper reaches of the Yalu, where there are still left some lands yet to be cultivated.

2. The south-western portion, which comprises the entire basin of the Liao, is level, and generally well suited for agriculture. The whole region is well cultivated, and, with the exception of some districts along the upper reaches of the river and those adjacent to Outer Mongolia, there is little room left for further exploitation. Some parts of this portion are quite rich, though other parts, especially along the sea coast and the lowlands, have a soil that is sandy and sometimes saline. What is most deplorable in connection with this portion is the lack of proper drainage system, some districts along the lower Liao, once the best agricultural fields, being already in part deserted on account of repeated inundations.

3. The central portion, which occupies the middle part of Manchoukuo watered by the River Hurka and the upper and middle reaches of the Sungari, is unquestionably the best agricultural region in the new empire. Especially are the lands around Hsinking, Kirin and Harbin exceedingly rich, and moreover there is still plenty of room for further exploitation. As a matter of fact, it is in this region that the most wonderful development has taken place in agriculture in recent years.

4. The northern portion, which comprises the whole of the northern region watered by the lower Sungari, the Nonni, and the Amur, is generally rich in soil, though being so sparsely populated it is not as yet much developed. But its possibility is immense.

On the whole it may be said that the best farm lands in Manchoukuo are not found in South but in North Manchuria.

Soil.—The soil of Manchoukuo is fertile in general and may be divided into two main classifications, consisting of black and yellow soil. The black soil region is to be found in the north and is rich in chemical and mineral matters. The yellow soil region is centered in South Manchuria, and is poor in nitrogenous and organic matter. The soil as a whole is rich in alkaline. While the farming lands in the south have been deprived of much fertility due to indiscretion in agricultural methods and choice of crops in the past, the soil in the north with its wonderful natural loaminess, especially in the regions of Shwangchengpu, assures good harvests for many years to come. With a view to developing the fertility of the soil in the exhausted regions the government has been taking steps at propagating the use of fertilizers and discreet rotation of crops.

Methods of Farming

In studying the methods of farm production in Manchuria, it may readily be noted that the scale of production is quite small on the whole. The arable land is divided into extremely small pieces which are being cultivated by several million farmers on the old Chinese methods of farming.

There are only a handful of farms managed along the modern lines of machinery. The use of tractors is limited to the contractors for reclamation of waste land. The system of farm management is generally primitive. The main crops require little farming skill, such as kaoliang, soya beans, millet, maize and wheat. Naturally, the methods of what is termed "extensive agriculture" is necessary to ensure the livelihood of the farmer.

Under this system, it is hardly possible for the farm-family to cultivate their farms without the aid of outside labor.

There naturally is a great demand for farm labor, enabling, on the one hand, several hundred thousand Shantung coolies to find employment in Manchuria and, on the other, helping the petty Manchurian tenant-farmers to earn a living. Because primitive methods of farming are still in force the farmers are disinclined to believe the advisability of managing their farms on a bigger scale. This fact explains that large tracts of tillable land are divided into small pieces for cultivation by petty tenant-farmers.

This tenancy system smacking strongly of feudalism inevitably accelerates a retrogression of farming technique. Although comparatively modern technique has been introduced of late into some limited districts, particularly the newly cultivated areas in North Manchuria, much still remains to be done in the improvement of the present methods of farm production. As pertinent to this subject, the problems of farm implements, domestic animals for farming purposes and, last but not least, of fertilizers must be discussed.

Farm Implements

(1) Many implements are of simple structure, made of wood and supported by small pieces of steel only in important parts, (2) Implements of simple structure can easily be made at home, and those impossible of domestic manufacture excepting a few of big size can be obtained for 5 to 50 cents, some of which can easily be repaired at home, (3) They are driven by manual or animal power. (4) The efficiency of most implements is extremely low, but they have been improved to some extent after many years' experiment.

Each farm-house possesses farm implements worth between 150 to 400 yuan. Advanced farming technique is inapplicable to small farms. This is responsible in the main for the retention up to date of the inefficient old implements.

The smaller farmers cannot afford to spend plenty of money in purchasing farm implements, because the major portion, if not the whole of their funds were disbursed to purchase or lease their farms.

Domestic Animals.—Animal power is an essential factor of Manchoukuo agriculture: in the ploughing and tilling of farms or in the unhulling of cereals, it is absolutely necessary. It is argued from the theoretical point of view that one horse or cow is necessary per 5 tienti of land under cultivation, but in reality, this is not observed.

A Chinese plough is usually driven by a pair of cows or horses. Those petty peasants who do not keep two such animals make it a rule to form groups of two or three so that their farms can be ploughed by turns by the animals and ploughs offered them respectively. For the lesser peasants who cannot afford to or need not keep any animal for farming purposes, there are men whose business is to plough farms by contract.

Live-stock excepting animals for farming purposes (such as pigs, hens, ducks, etc.) is negligible as a source of income for the Manchurian farmer. Fundamentally, the economic structure of the Manchurian rural communities was set up on the Chinese model. Naturally, the Manchurians like the Chinese are disinclined to keep live-stock more than necessary, so that they can concentrate their energy upon farming alone.

As a matter of fact, they raise pigs and hens only to meet their own consumption or as a source of fertilizer. A survey by a reliable expert interested reveals that the average income from cattle-raising of the farmer in North Manchuria represents only 7 per cent. of his entire revenue.

Table 3. Imports of Agricultural Machineries, Implements, Tools, Etc.

	Value (in M¥)
1933	122,557
1934	157,836
1935	606,119
1936	986,847
1937	2,306,741
1938	1,241,273

Fertilizers

At present, little use is being made of chemical fertilizers. In the most densely populated villages of the Kwantung Leased Territory, the farmers fertilize their farms once a year, in the Hsiungyancheng region once every two years and in the Kungchuling area once every three years. In some parts of North Manchuria and of Eastern Mongolia, farms are never manured.

The most popular of all fertilizers in Manchuria is a mixture of animal dung, grass, horse-beddings, ashes, leaves, kitchen rubbish and mud which are accumulated by every farm-house throughout the year. Cattle-raising, therefore, is a prolific source of this peculiar fertilizer.

For vegetable garden which requires a volume of fertilizer two or three times as large as that required for usual farms, this specific fertilizer is purchased from cart-houses and others. When this is impossible, bean-cakes are generally used as a substitute. Thus, the cost of fertilizer in Manchurian agriculture is quite negligible.

While farms are fertilized in such manner, some farmers make a point of growing soya beans, kaoliang, millet and maize after an interval of between three and four years in order that the maximum efficiency of their farms may be displayed. A certain foreign expert aptly said that the scientific agriculture of the 20th century was discovered and tested by the Chinese more than 20 centuries ago on the strength of experiences.

AGRICULTURAL PROGRAMME

With the inauguration of the agricultural Five-Year Plan in 1937, the Manchoukuo Government has been directing its attention towards expanding the output of her principal crops in order that larger exports of such products may be effected. The major objectives of the Government's agricultural plan are as follows:

(1) An annual production of soya beans amounting to 5,000,000 metric tons in the 8th year of Kangte (1941). (2) An increase of the annual production of wheat to 1,800,000 metric tons so that self-sufficiency in this item may be achieved in four years. (3) An increase of the annual production of kaoliang to 700,000 metric tons and of maize to 2,000,000 metric tons in order to assure a sufficient supply to Japan in accordance with the plan for making Japan and Manchoukuo self-sufficient in fodder. To this end a definite system of rotating kaoliang and maize crops with soya beans will be established. (4) An annual production of raw cotton amounting to 150,000,000 catties by 1942. This would assure Manchoukuo's quota under the twenty-year unified raw cotton production programme for Japan, Korea and Manchoukuo.

In the execution of the aforementioned plan, great stress is laid upon the following three points:

(1) Efforts to increase the agricultural production have hitherto consisted chiefly of indirect guidance and encouragement, such as making various distributions and improvements, training agricultural technicians and preventing and eliminating insect pests. From now on, however, these efforts will be concentrated on clearing waste land and bringing virgin soil under cultivation. Steps will also be taken to drain marshy land for cultivation and to improve alkaline land.

(2) The gradual decline of the productive capacity of cultivated land has hitherto been overlooked. Henceforward, however, every possible effort will be made to improve the river conservancy work and irrigation works with a view to reviving and maintaining the prosperity of the agricultural villages. At the same time the supply of live-stock for farming purposes will be increased through cooperation between the Agricultural Cooperative Society and the Manchuria Livestock Company and endeavors will be made to establish a definite system of breeding live-stock along with the management of agriculture so that the self-supply of fertilizer may be attained.

(3) Endeavors will be made to improve farm implements, and good offices will be extended to assist in securing the supply of these implements. Immigrants will be encouraged gradually to engage in mechanized farming.

Table 4. Area Under Various Crops

(In 1,000 hectares)

	Soya Beans	Other Beans	Kaoliang	Millet	Maize	Wheat	Rice	Upland rice	Other cereals	Total incl. others
1924	2,179	184	2,212	1,564	880	746	7	80	522	8,323
1925	2,691	303	2,532	1,902	1,107	881	94	111	694	10,314
1926	3,349	438	2,401	1,926	1,177	896	111	120	777	11,196
1927	3,559	448	2,674	2,115	1,083	1,139	126	117	813	12,070
1928	3,760	474	2,916	2,184	1,068	1,317	83	101	1,169	13,072
1929	4,017	401	2,988	2,148	937	1,299	89	112	1,051	13,042
1930	4,153	407	3,056	2,227	957	1,382	99	109	1,096	13,486
1931	4,235	367	3,004	2,351	1,086	1,588	83	119	1,242	14,315
1932	4,144	375	2,710	2,272	1,112	1,488	67	107	1,212	13,486
1933	3,879	301	2,661	2,157	980	1,395	63	105	1,124	12,665
1934	3,273	322	2,706	2,170	1,123	826	101	102	1,273	11,897
1935	3,303	347	2,855	2,458	1,254	993	121	114	977	12,422
1936	3,468	379	2,994	2,555	1,313	1,094	175	114	983	13,076
1937	3,591	376	3,046	2,613	1,419	1,216	211	105	1,037	13,613
1938	3,869	397	3,224	2,935	1,534	1,288	258	101	1,071	14,679

Note: Statistics from 1934 are the investigation of the Dept. of Industry.

Table 5. Output of Principal Crops

(In 1,000 Metric tons)

	Soya Beans	Other Beans	Kaoliang	Millet	Maize	Wheat	Rice	Upland rice	Other cereals	Total incl. others
1924	3,455	256	4,477	3,042	1,694	806	95	88	760	14,672
1925	4,188	334	4,710	3,137	1,888	962	193	150	891	16,453
1926	4,790	523	4,550	2,982	1,774	969	181	134	829	16,731
1927	4,835	580	4,605	3,226	1,803	1,446	149	147	1,018	17,810
1928	4,852	622	4,643	3,290	1,853	1,471	151	145	1,271	18,298
1929	4,865	550	4,712	3,374	1,733	1,303	138	157	1,601	18,434
1930	5,318	519	4,818	3,304	1,719	1,538	156	158	1,730	19,080
1931	5,245	462	4,533	2,983	1,833	1,582	161	163	1,862	18,829
1932	4,288	456	3,757	2,635	1,687	1,134	112	138	1,561	15,764
1933	4,601	304	4,022	3,184	1,759	651	166	143	1,804	16,847
1934	3,398	277	3,470	2,123	1,503	643	200	126	1,046	12,787
1935	3,859	327	4,103	2,968	1,903	1,015	296	147	1,106	15,725
1936	4,147	341	4,241	3,187	2,072	959	442	155	1,093	16,638
1937	4,352	327	4,315	3,226	2,240	1,125	549	140	1,069	17,344
1938	4,612	363	4,680	3,134	2,306	979	4,750		1,114	17,938

Note: Statistics from 1934 are the investigation of the Dept. of Industry.

Table 6. Principal Industrial Crops

(Unit: Area in hectares; Quantity in m. tons)

	Cotton		Tobacco				Hemp (fibre)	
			Native		Improved			
	Area	Qty.	Area	Qty.	Area	Qty.	Area	Qty.
1935	55,374	36,875	31,419	17,268	2,537	3,997	25,187	10,374
1936	....	....	....	....	....	....	....	....
1937	105,173	63,901	15,580	3,577	4,334	....	20,838	8,976
1938	100,369	51,354	18,876	11,496	6,009	5,797	30,312	12,396
1938:								
Hsinking ...	—	—	—	—	—	—	—	—
Kirin	5	2	6,797	4,620	1	1	5,806	2,904
Lungkiang ..	—	—	1,163	....	7	....	5,370	...
Heiho	—	—	27	7	—	—	37	11
Sankiang ...	—	—	522	260	12	17	1,607	474
Mutankiang .	—	—	245	83	92	29	406	148
Pinkiang ...	—	—	3,425	1,948	1,127	....	9,975	5,672
Chientao ...	—	—	614	548	139	173	272	167
Tunghua ...	10	1	1,153	695	47	29	1,720	816
Antung	271	37	456	271	1,980	2,308	1,170	512
Fengtien ...	44,291	23,879	3,559	2,494	1,878	2,270	3,354	1,530
Chinchow ..	55,792	27,435	915	570	726	970	595	162

	Flax		Perilla		Hempseed		Sesamum	
	Area	Qty.	Area	Qty.	Area	Qty.	Area	Qty.
1935	5,523	5,801	259,858	207,935	26,438	17,070	32,424	14,997
1936	....	....	....	....	....	....	....	....
1937	15,047	....	....	....	....	....	....	....
1938	27,861	29,056	153,265	111,337	37,652	9,637	23,626	9,125
1938:								
Hsinking ...	3	5	3	2	—	—	—	—
Kirin	—	—	12,362	9,059	1,554	941	1,444	794
Lungkiang .	5,942	....	113,909	83,404	3,739	....	1,862	....
Heiho	—	—	—	—	—	—	—	—
Sankiang ...	58	35	405	379	80	46	58	33
Mutankiang .	6,258	4,599	67	34	58	23	103	32
Pinkiang ...	15,599	24,416	19,991	14,082	309	211	2,731	1,597
Chientao ...	—	—	244	137	—	—	80	34
Tunghua ...	—	—	995	716	29	17	125	66
Antung	1	1	181	89	20	12	257	100
Fengtien ...	—	—	4,281	3,046	13,389	3,862	7,940	2,523
Chinchow ..	—	—	827	389	18,474	4,525	9,026	3,946

Principal Crops

From the angles of production amount and economic importance, soya beans, kaoliang, millet, maize and wheat make up the most favorite crops in Manchoukuo, taking up amongst them 90 per cent of the total. All combined they are called the staple produce of Manchoukuo.

Soya Beans

This crop is to Manchuria what raw silk is to Japan. Soya beans, known the world over, form the most important agricultural product of Manchuria. Manchuria produces 60 per cent. of the world's total. There are 500 varieties of soya bean of which the yellow one is of the best quality. Soya beans are exported as harvested, or in the form of bean oil and cakes, to be used mainly for food, fodder, and fertilizer. With the progress of modern industry, the demand for soya beans has greatly increased and the field of its use has greatly expanded. The crop forms a highly important factor in the economy of Manchuria.

Soya beans are cultivated chiefly in South Manchuria, along the Liao and Sungari rivers, and in North Manchuria, along the Sungari, with the vicinity of Harbin as the centre. The cereal has a wide range of uses for making substitute articles including:

Food (coffee, artificial butter, condensed milk, casein, soy, sauces, coups, cheese, salad oil, crackers, macaroni, flour, confectionery).
Clothing (artificial wool).

Pure alcohol, glycerine, explosives, enamels, varnishes, linoleum, paints, soap, celluloid, rubber substitutes, printing ink, lighting and lubricating oil.

Output.—The output of soya beans have ranged from between 3,800,000 metric tons to 5,300,000 metric tons in the last dozen years, depending upon weather and market conditions. In 1938 the production was over 4,000,000 metric tons and the Government is taking steps to increase the acreage as well as the amount of output of this staple crop for export purposes.

Breed Improvement.—The S.M.R. Agricultural Experiment Station at Kungchuling has been experimenting for many years to improve upon the quality of the soya beans and highly satisfactory results have been obtained. Through the distribution of superior seeds to Manchurian farmers crops have been increased by 10 to 20 per cent. while the oil contents of such improved beans has been increased by more than ten per cent. The use of these improvements is being advocated by means of poster campaign and other forms of propaganda. At the same time a new industry of manufacturing beans into oil and cakes has sprung up, the modern methods rapidly replacing the old-fashioned presses.

Exports.—The export of soya beans, bean oil and beancake in 1938 amounted to ¥319 million yuan, representing about 44 per cent. of the total exports of the country. Principal markets are Japan, China, Germany, Great Britain, Egypt, Holland and the United States.

Kaoliang

Kaoliang is most widely cultivated and occupies an important position in the agricultural economy next to soya beans. Besides being very important as the principal foodstuff of the Manchoukuo people it is used as material for distilling Kaoliang spirits and in the starch manufacturing industry and as fodder for domestic animals, while its stalks are also utilized for building materials and as fuel. The first shipment to Europe was made soon after the World War as grain food for horses. The principal producing centres are the districts along the South Manchuria Railway main line, Mukden-Shanhaikwan railway line and the district around Tungshan.

Kaoliang is exported chiefly to China for the use of food, distiling and fodder. It is also exported to Japan where it is used as materials of spirits and starch.

Millet

Millet is cultivated throughout Manchoukuo, more profusely in North than South Manchuria. In South Manchuria, the millet produced in the district around Haicheng, Liaoyang and Mukden is reputed for its good quality. It is another important foodstuff of the Manchoukuo people, and is also largely used for distilling native spirit while its stalks are used as fodder. Millet is chiefly exported to Korea to be taken by the people who export rice to Japan.

Wheat

The soil in North Manchuria is generally suitable for wheat cultivation. In North Manchuria good wheat are produced in the districts around Ningan, Petuna, Harbin and along the right bank of the Sungari and the district around Suihua, while in South Manchuria the producing centres are found around Hsifeng, Hailung and the district lying to the west of the Liao. There are many large modern flour mills at several important cities around Harbin and along the North Manchuria Railway line. The wheat flour industry in Manchoukuo is an important industry, being only second to that of bean oil extraction.

For the purpose of increasing Manchurian wheat output, especially by changing from soya bean to wheat cultivation in accordance with the Manchoukuo five-year industrial plan, the Provincial Governments in North Manchuria have purchased superior wheat seeds for the hsien in the provinces.

Wheat seeds purchased by the Provincial Governments up to the middle of March, 1937 amounted to 2,365 tons in Pinkiang Province, 2,227 tons in Sankiang, 2,207 tons in Lungkiang, and 901 tons in Kirin, totalling 7,320 tons, of which the seeds to be distributed among the farmers were to have been 2,207 tons in Pinkiang, 1,757 tons in Sankiang 1,758 tons in Lungkiang and 781 tons in Kirin, aggregating 6,323 tons

Provincial wheat crop areas are estimated at 21,000 hectares in Pinkiang, 18,000 hectares in Sankiang, and 18,000 hectares in Lungkiang or 65,000 hectares altogether.

Table 7. Twenty-Five-Year Expansion Plan for Wheat Production

	Area under wheat (Hectares)	Production (Metric tons)
1933	1,222,200	1,210,895
1934	1,222,200	1,210,895
1935	1,264,100	1,252,400
1936	1,306,000	1,294,020
1937	1,348,000	1,335,623
1942	1,658,800	1,643,456
1947	1,987,800	2,011,923
1952	2,326,000	2,458,117

Rice

The paddy-fields devoted to rice cultivation are mostly found in the districts around Mukden, Fushun, Antung, Kaiyuan, Sungshu, Haicheng, Yingkow and Hailun, Chientao, and the district along the banks of the Liao, the Sungari, the Tatzuho, the Hunho and other rivers. As the rice is used on rare occasions such as dinners and festivals and among the upper class Chinese, the demand for rice has ever increased. The entry of the Japanese into Manchoukuo stimulated the cultivation of paddy-rice. The cultivation of paddy-rice was first undertaken by Korean immigrants, next by Chinese, and now many Japanese are engaged in paddy-field cultivation along the railway lines.

Upland rice is inferior to paddy-rice in quality, though the crops are gradually increasing. It is chiefly taken by the natives,

Maize

Maize is one of the principal products of Manchoukuo. When ground it becomes a high class food for the farmers. Together with millet it is only second to kaoliang as food. Maize is produced chiefly in the southern part of South Manchuria. Only a small quantity is produced in North Manchuria where it is used in distilling spirits. Maize is exported chiefly to China and also to Japan.

Sericulture

First introduced into Manchuria some 200 years ago from Shantung Province, sericulture is now carried on quite extensively in the mountainous regions of the Liyaotung Peninsula as a subsidiary occupation of Manchurian farmers. Wild silk is mainly produced in Antung, Kaiping, Haicheng, Hsiuyen, Fengcheng, Chuangho, Kwantien, Hsifeng and Huanjen-hsien. Wild silkworms were formerly raised on oak, "nara" (Quercus glandulifera) and (glandulifera) and "kunugi" (Quercus serrata) trees in the past, but in recent years it has been found that they also thrive well on "akayanagi" trees.

Production of wild silk cocoons amounted to 566,693 kilgrams in 1936 and 671,529 kilograms in 1937. In Manchuria silkworms are raised twice a year, in spring and autumn, but the cocoons produced in autumn are superior and are used chiefly for reeling silk. Silk thread has hitherto been exported to Japan for making pongee. The production of mixed cloth woved with wild silk and Japanese raw silk for making western and Japanese clothing is anticipated in the future.

Hemp (Tama)

The tissues of hemp which are commonly called Tama in Manchuria are used principally for manufacture of nets, ropes, cloth and last but not least, paper. Its seeds, or Siaomatzu, are used mainly as material for oil extraction. The Tama intended for textile manufacture is grown notably in Fengtien Province and the mountainous district in the eastern part of Kirin Province and that for oil extraction in the Tungshan district, Fengtien Province, the region west of the Liao river and the districts along the Itung and Lalin rivers, Kirin Province.

The Manchurian farmer makes it a rule to plant one or two rows of Tama on the boundaries of his farms for the purpose of maketing its tissues as a remunerative secondary occupation. The output of Tama per Japanese tan (0.245 acre) is about 8 Japanese kamme (1 kamme is 8.28 lbs.). The total cultivation area in Manchuria is estimated at 20,000 Japanese cho (1

cho is 2.45 acres) and the yearly output of the plan at 16 million lbs., although any authentic figures are not available in the connection. There are several kinds of Tama now grown in Manchoukuo.

Blue Hemp (Tsingma)

Tsingma is grown almost everywhere in Manchuria, particularly in low, humid districts along rivers. So far as Tsingma cultivation is concerned, the regions along the Liao, Lalin and Nunkiang rivers are widely known. The total area under cultivation is put at 25,000 cho and the yearly output of the plant at 25 million lbs. Particularly, the district in the vicinity of Liaoyang, Chinchow and Newchwang are best suited for Tsingma cultivation, where the plant usually grown to a length of from 7 to 10 feet.

Like Tama, Tsingma is used primarily for manufacture of nets, ropes and cloth. Of late, it has begun to be used as a substitute for ramie which is imported to Manchoukuo in large quantities for manufacture of gunny bags. The output per Japanese tan of dried Tsingma issues averages 16 kamme. There are two kinds of the plant grown in the country.

Kunma

Kunma is a kind of hemp indigenous to Manchurian soil, which is grown for oil extraction. In some parts of the country, it is called Tamatzu. A full-grown Kunma plant measures only 2 feet or so. Liaoyang, Tungliao Taonan and Changwu are the principal producing centres of Kunma. From Kunma is extracted Kunma oil which is used for industrial purposes. The output of this oil per Japanese tan averages 5 Japanese sho (1 sho 0.48 gallon).

Perilla-seed

Perilla is grown everywhere in Manchuria, although its output is relatively negligible. Particularly, the region north of Mukden is well adapted to the cultivation of perilla. Following the sharp drops that have occurred in the price of soya beans, there are growing signs in evidence of perilla being cultivated on a much larger scale in the near future. The plant usually measures 3 feet. The oil extracted from it is used for medical, lighting and industrial purposes. Perilla is usually planted on the boundaries of farms as a means of protection for staple farm crops.

Tobacco

The southern and eastern sections of Kirin province form the main tobacco producing territory of Manchuria. In the northern and eastern parts of Fengtien Province it is also planted on a fairly large scale. Kirin Province leads in production followed by Fengtien Province. Generally speaking, the quality of tobacco produced in Manchuria is not good but of late it has been proved by the experiments conducted by the South Manchuria Railway Co. at Fenghuangcheng and Tehlissu that the cultivation in Manchuria of yellow tobacco of the American origin is quite promising and profitable.

To meet the tobacco shortage caused by restriction in leaf tobacco imports in accordance with the revised Customs tariff in effect since January 1938, the Manchoukuo Government plans to increase its tobacco land by 43,000 hectares in Antung, Fengtien, Chinchow, Jehol, Kirin, Chientao, Pinkiang and Mutankiang provinces, which are suitable for tobacco cultivation.

In line with the plan for increasing the crop, the Government was planning to increase its leaf tobacco import from Japan to some 2 million yuan in 1938 from about 800,000 yuan annually in the past, upon which negotiation were under way between the Finance Department of Japan and the Department of Finance and Commerce of Manchoukuo.

Cotton

When the climate and topographic features of Manchuria are taken into careful consideration, it may readily be seen that the region south of Mukden alone is adapted to cotton cultivation. At present, cotton is planted mainly in the distrcts around Liaoyang, Haicheng, I-hsien and Chihsien. Their fibres are generally coarse and the major portion of the output is used for stuffing purposes. In recent years, however, the volume of native cotton for spinning purposes has steadily been on the increase.

A new Five Year Cotton Cultivation Plan was launched in 1937 to replace the 20-year program enforced since 1933 with the object of producing 250,000,000 kin (1 kin equals 1.32 pounds) of unginned cotton annually after 1941 from 180,000 hectares of cotton fields in South Manchuria. Special attention will be paid to the cultivation of upland cotton in place of the native variety which is to be replaced by the former eventually as the yield from the former is far greater than that from the latter.

The Government in 1933 created a Raw Cotton Society with a view to devising equitable ways and means to encourage cotton cultivation among the agrarian masses. This was followed closely by the establishment of the Manchuria

Raw Cotton Company which is to purchase surplus raw cotton from the farmers.

Under orders of the Minister of Industry, the company is to buy up cotton crops in districts to be designated by the Minister. It is to undertake various enterprises to encourage the industry. The authorized capital of the company is 10,000,000 in Manchoukuo yuan. The government is to disclaim dividends accruing to the account of Government-owned shares in the company until the concern is able to declare a 6 per cent. dividend. The Government is ready to grant an annual subsidy of 100,000 in Manchoukuo yuan to the company for the time being.

Of the total Manchoukuo output, only 4 million kin is spun, the remainder being used by the farmers themselves for stuffing purposes.

Peanut

Epochal progress has been made of late in the growing of peanuts in Manchuria, particularly in the Kwantung Leased Territory. For this is largely responsible for the fact that peanut cultivation requires no fertilizer and yet is quite profitable. As a matter of fact, the peanut has come to rank among the principal items of Manchurian farm produce for exportation. For instance, more than 80 per cent. of the output in the Kwantung Leased Territory is shipped abroad. In order to ensure the smooth progress of peanut exports, peanut growers' associations were created at Pulantien and Pitzuwo in the Territory in 1929 which are designed to conduct strict examinations of peanut exports on the one hand and, on the other, to function as a credit organ or the growers themselves. Since 1930, the Government of the Kwantung Leased Territory has been subsidizing these associations. It is believed that peanut cultivation will grow more popular in Manchuria in the near future.

Sugar-beet

The first cultivation of sugar-beets for manufacturing purposes which was started by Manchurian farmers near Suchiatun, Shenyang prefecture, met with good results, thus giving the possibility of adding another product to native husbandry with the hope that it might become in future an important item in the list of Manchurian crops.

Though the experimental cultivation of sugar-beets, which was started in 1914 by the S.M.R. Agricultural Station at Kungchuling, proved that the percentage of sugar content in local beets and also the production area in the country were promising for manufacturing purposes, much difficulty has been experienced in persuading the Manchurian farmers to see the commercial value of sugar-beets.

In 1936 the Manchurian Sugar Refining Company Ltd. (Manshu Seito) successors to the South Manchuria Sugar Manufacturing Company, succeeded in interesting the farmers and in encouraging sugar-beet production in 47 villages near Suchiatun, around which 463 hectares of beets were cultivated in the spring of 1936.

The total crop amounted to about 5,000,000 kin or about 10,000 kin per hectare, to the great satisfaction of both the promotors and cultivators. Shipments of sugar-beets to the company's plant, which started its operation in November, began in the middle of December, and the movement of beets to the Suchiatun station was active, amounting to about 220,000 kin per day.

Vegetables

Generally speaking, vegetables are grown in Manchuria primarily to be consumed by the farmers themselves. Under the circumstances, they are marketed as commodities only in densely populated cities and towns along the railways. Among the principal vegetables produced in Manchuria are: mad-apple; rapes; leek; garlic; yam; potato; sweet potato; pumpkin; water-melon; cucumber; musk-melon; green peas; red beans; onion; turnip; spinach; burdock; pepper.

Vegetables are grown on usual farms and specially built gardens, the latter being drained or irrigated. Mad-apple, onion, turnip, burdock, rape, potato, pepper, pumpkin and musk-melon are the principal ones grown on usual farms, while irrigated vegetable gardens are generally confined to the growing of water-burdock, garlic, cucumber, beans and yam. Drained gardens are used chiefly for the raising of mad-apple, white-rape, garlic, pepper, pumpkin and spinach.

Apples

The cultivation of apples has made rapid progress in a short period of time. In 1916-17, the area devoted to this purpose was no more than several hundred acres, but the orchard area increased to 4,800 acres in 1927 and to 14,000 acres in 1936. The climate of Manchuria is well suited to apples, and the cultivation is economically profitable. The cultivation is, however, limited to the areas south of Anshan. The output in Kwantung Territory is three of four times that for all Manchoukuo. The value of apple output in 1935 was ¥1,569,700. Imports amounted to ¥612,000.

Apiculture

In North Manchuria Italian honey-bees were formerly raised extensively by Russians in districts along the Harbin-Suifenho Railway. In South Manchuria the culture of another species, imported by Mr. Kozui Otani in 1915, flourished for some time, but owing to imperfect knowledge of apicultural technique, this industry gradually declined and honey production considerably diminished. Bee-raising flourished naturally in the past because of the abundance of larch trees, fruit trees, pasturage, and buckwheat plants in Manchuria. Consequently it is possible to predict a promising future for apiculture. The Italian species raised in the Harbin-Suifenho railway districts possess the characteristic of quickly adapting itself to any climate. Originally native to cold regions, the other species reared in South Manchuria by Japanese, is prolific and is well adapted to the Manchurian climate.

Table 8. Summary of Principal Crops in 1939

(As forecasted on July 1st, 1939)

(Unit: Area in 1,000 hectares; Crops in 1,000 M. Tons)

Crops:	Area Sown	Area under Crop	Crop per hectare	Total Crop	Index (1938 as 100)
Soya Beans	4,161	4,141	1.19	4,961	107
Other Beans	478	496	0.86	427	116
Kaoliang	3,890	3,872	1.33	5,165	109
Millet	3,651	3,626	1.08	3,943	106
Maize	1,961	1,954	1.54	3,011	116
Wheat	1,287	1,285	0.99	1,278	140
Rice	285	284	2.57	731	121
Rice, upland	106	106	1.32	139	112
Other Cereals	1,662	1,658	0.92	1,535	109
Hemp-seeds	66	66	0.76	50	127
Perilla	138	137	0.85	117	97
Total	17,705	17,623	—	21,357	111

STOCK FARMING

CATTLE

The native cattle are of two types, namely, Mongolian and Manchurian. The former are chiefly reared in western Manchuria adjoining Mongolia, and in West Hsingan Province, and the latter in the Changpai mountain regions. Very few are raised in the vast Manchurian plains that form the central portion of the country.

In the eastern part of Manchuria, cattle are used for cultivation, in the western Mongol banner districts they are reared for obtaining milk. It should be observed that Manchurians and Chinese generally do not like milk very much. Milk was formerly consumed only by the Mongols, but in recent years the demand for this product has increased owing to the rise of the Japanese population in Manchuria. As a result Japanese-managed dairy farms have sprung up in various parts of South Manchuria.

Though the native breeds are sturdy, have strong power of resistance to disease, and are able to live on poor food, they are small when compared to Korean or Japanese cattle, and are not so useful as draught animals as the other species. In economic value, in consequence they are inferior to Korean and Japanese cattle.

It is estimated that 1,421,000 head of cattle are raised by some 540,000 households in Manchuria in 1937.

Table 9. Number of Domestic Animals

	Horned Cattle	Sheep	Goats	Swine	Camels
1936 (August)	1,401,300	1,668,700	742,500	5,852,300	11,000
1937 (September)	1,683,200	1,965,900	1,243,000	5,335,800	12,800
1937:					
Kirin	77,300	22,100	5,400	716,300	—
Lungkiang	118,100	53,600	12,500	644,400	—
Heiho	4,100	300	—	16,700	—
Sankiang	48,200	1,700	500	167,200	—
Mutankiang	17,200	1,400	1,000	66,700	—
Pinkiang	89,100	37,900	3,400	878,700	—

	Horned Cattle	Sheep	Goats	Swine	Camels
Chientao	53,400	1,000	200	93,100	—
Tunghua	19,200	300	1,100	68,100	—
Antung	118,700	200	7,800	252,800	—
Fengtien	158,400	29,500	16,600	1,073,200	—
Chinchow	97,400	196,300	85,200	562,800	—
Jehol	276,700	247,700	785,400	549,500	1,300
Hsingan W.	183,100	147,900	182,600	53,300	1,700
" S.	214,700	83,300	87,700	164,600	800
" E.	11,700	1,300	100	17,300	—
" N.	195,400	1,141,300	53,500	5,700	9,000
Hsinking	500	100	—	5,400	—
Total	1,683,200	1,965,900	1,243,000	5,335,800	12,800

Note: Statistics of horses later than those appearing in the 1938 issue of the Japan-Manchoukuo Year Book are not available.

Table 10. No. of Animals Slaughtered

(1937)

	No. of Head	Meat	Meat per head
Cattle	170,717	25,607,550	150
Horse & Mule	7,899	631,920	80
Ass	6,558	363,480	60
Swine	1,641,851	106,720,315	65
Sheep	179,196	268,794	15
Goat	72,868	874,504	12
Calf	10,517	473,265	45
Colt	41	825	20
Young pig	4,058	24,348	6

HORSES

Almost all the horses raised in Manchuria are Mongolian breeds. Although they are small in stature, the native horses are large-boned, have strong legs and are capable of working long hours, withstanding bitterly cold climate, and living on poor and scanty food. The Hulunbair district is the chief supplier of horses to North Manchuria. In South Manchuria those bred in the eastern part of Mongolia, particularly Wuchumuchi, Chahar Province, are famous. The Manchoukuo Government, in accordance with its horse-raising program, is directing its efforts to improve the native breeds by crossing them with Arab, Anglo-Norman and other superior strains imported from abroad. For this purpose State stud-farms have been established in various parts of the country. Horse-raising in Manchuria has a bright future because of the extensive pasture lands and the large demand for military mounts.

About 1,800,000 horses are raised in Manchuria. In proportion to the area of the country, this number is very small when compared with 1,448,481 horses raised in Japan, which is little more than half the area of Manchuria. Besides Mongol horses, Hailar breeds are raised in the Hailar, Manchouli and Jalainor districts, Russian horses in the Houpeichiaerhlai district, and Sanbeis breeds in the regions west of the Hsingan Mountains.

HOGS

Most of the hogs raised in Manchuria are Chinese stock, originally brought here by the Chinese when they migrated to Manchuria. They are raised for their meat throughout the country, particularly in Fengtien and Pinkiang provinces, by Manchurian farming households who invariably keep scores of them. Pork, however, is not eaten by Mohammedans and Mongols in accordance with religious custom.

Considerable pork is consumed at home, while live hogs, bristles and intestines are exported. Bristles are particularly in demand for making shaving brushes and have great commercial value. Manchurian hogs are generally prolific but mature late. Although they are very hardy and can subsist on almost any kind of food, their bodies are rather lean and the meat somewhat tough. In order to improve the native-breeds, the Manchoukuo Government and other agencies are actively encouraging hog-raisers to cross the native species with imported Berkshires. As a result, superior breeds are being gradually produced in increasing numbers.

Manchurian hogs are of three types, large, medium and small, but are all black in color. In addition to the native stock, there are improved Russian breeds (white and of great econmic value) and improved breeds of Manchurian hogs. It is estimated that 2,530,000 households are raising a total of 5,911,000 hogs. Asides from pigs' bristles, pigskin is widely used in place of cowhide and horsehide. A promising future is in store for the pigskin tanning industry in view of the large number of hogs raised in Manchuria.

Pigs' bristles are practically all exported abroad, chiefly to America, Japan, China, Hongkong, Great Britain and Germany. Exports of this product in 1938 amounted to 558 metric tons valued at ¥5,471,000.

Goats

Jehol is the leading goat-raising province, followed by West Hsingan Province. The number of goats raised in the country totals some 750,000.

Camels

Camels are raised chiefly in North and West Hsingan provinces, particularly in the Hulunbair district (where many Mongols are engaged in this occupation) and to a certain extent in South Hsingan and Jehol provinces. They are good pack and draught animals, but their number is gradually decreasing, and it is estimated that there are now about 11,000 camels in the country. Two species of camels, namely, the Arabian or one-humped, and the Bactrian or two humped, are found in Asia. Those belonging to the latter species are chiefly raised in Manchuria as they are able to stand the cold climate far better than Arabian camels.

Manchurian camel-hair possesses great elasticity, is of excellent quality and is highly valued as material for making woollen goods. The greater part of the country's production is consumed at home, while the remainder finds a ready market abroad. Exports for 1937 amounted to 53,996 chin valued at ¥41,882.

Deer and Angora Rabbits

Deer-raising is carried on only in parts of Kirin, Fengtien, Heiho and Jehol provinces, for making highly valued drugs obtainable from the antlers. Besides the above animals, Angora rabbits are raised for their wool, which is better than camel-hair in quality and is used for making high-grade hats and fabrics. The raising of silver foxes for exportation abroad is also under experimentation.

Sheep

In Mongolia sheep and goats are extensively raised by the inhabitants as their principle occupation, and constitute their most important source of livelihood. Native sheep were formerly reared only for their meat and skins, but in recent years efforts have been directed to their improvement for the production of high quality wool. The amount of wool produced from native stock is small, and the quality is poor, inferior in texture and elasticity. As the wool is not suitable for making high quality woollen yarns, it is only used for making low grade woollen cloth, felt, blankets and rugs.

In accordance with the five-year industrial plan (1937-42), the Government, with the object of attaining self-sufficiency in wool, is importing large numbers of Merino, Corriedale and other superior strains for breeding purposes. The Government plans to produce 4,000,000 head of improved sheep and 4,500,000 metric tons of wool within the five-year period.

Some 1,680,000 head of sheep are raised in Manchuria at present, principally in the Mongol grasslands in the western section, covering the four Hsingan Provinces, Jehol Province and Chinchow Province.

The livestock section of the South Manchuria Railway Experiment Station has since 1924 carried on extensive experiments with a view to raising the quality and quantity of sheep's wool. An accompanying table shows that the Merino breed cared for at the Experiment Station produced almost seven times as much wool as the Mongolian breed.

Table 11. 30-Year Plan for Sheep's Wool Production in Manchoukuo and Kwantung Province

(a) No. of sheep (1,000 heads):

	Manchoukuo			Kwantung Province		
	Thorough bred	Improved bred	Native bred	Corriedale	Improved bred	Native bred
1937	8	24	3,080	1.6	1.9	0.9
1938	14	35	3,220	2.1	2.7	0.9
1939	20	91	3,386	3.2	3.8	0.9
1940	26	161	3,619	4.3	5.1	0.8
1941	35	310	3,857	5.8	6.7	0.8
1946	3,163		3,115	25.6	24.7	0.7
1951	5,982		2,374	113.8		0.5
1956	8,800		1,632	115.7		0.3
1961	11,618		890	116.6		0.2
1966	14,436		148	119.6		0.0
1967	15,000		—	120.0		—

(b) Wool production (1,000 pounds):

	Manchoukuo		Kwantung Province	
	Thorough & improved bred	Native bred	Corriedale & improved bred	Native bred
1937	209	6,790	24.2	2.1
1938	329	7,099	33.3	2.0
1939	670	7,465	49.2	1.9
1940	1,091	7,978	66.0	1.9
1941	1,955	8,503	88.1	1.8
1946	22,143	6,868	351.7	1.5
1951	41,871	5,233	796.3	1.1
1956	61,599	3,597	809.9	0.8
1961	81,326	1,962	823.6	0.4
1966	101,054	327	837.2	0.0
1967	105,000	—	840.0	—

Table 12. Wool Yield By Breeds

	Sex	Age (Year) over	No.	Volume of wool per head (Grams)	%
Mongolian breed	Female	2 or 3	2,928	1,182	100
Merino-Mongolian cross-breed	”	”	”	2,456	208
Ditto, improved breed	”	”	”	2,863	243
Merino	”	3	427	5,860	496
Mongolian breed	Male	2 or 3	356	1,610	136
Merino-Mongolian cross-breed	”	”	”	3,421	289
Ditto, improved breed	”	”	”	4,581	388
Merino	”	3	193	8,060	682

Donkeys and Mules

Donkeys are raised chiefly in Fengtien, Antung and Jehol Provinces in South Manchuria, and are fine breeds. There are two species, large and small, but the latter are generally used for farm cultivation as well as for domestic work and as pack animals. They are hardy and can subsist on poor food. About 620,000 donkeys are raised in Manchuria.

Manchurian mules, raised only in farming districts, produced by crossing stallions with donkeys, are larger than Mongolian horses, being from 1.3 to 1.6 meters high, are gentle in nature, sturdy, and capable of working long hours. Very few are raised in North Manchuria as they do not stand severe climate conditions very well. The number of mules raised in Manchuria totals between 560,000 and 570,000 and is smaller than that of donkeys.

Chickens

It is estimated that 450,000 chickens are raised in Manchuria. Most of them are native stock and are mixed breeds which have degenerated from the Asiatic species. The native species are generally small-boned and hens do not lay more than 100 eggs a year. The large variety of native stock is reared in Fu-hsien, Chuangho-hsien, and in the Pitzuwo district, Kwantung Territory. Their productive capacity is about 60 eggs annually.

In addition to the native species, superior egg-laying breeds such as the White Leghorns, Rhode Island Reds and the Nagoya (Japanese) have been imported and are raised extensively in districts along the former S.M.R. lines. The native species are raised chiefly as table fowl, the meat being known for its fine flavour, while the raising of improved species is being actively encouraged for production of eggs. Incubation by the Korean heating system, though primitive, is being pursued with satisfactory results. Chicken manure, when used in tanning hides, does not deteriorate the quality of hides and moreover makes them fine and smooth in texture. Much attention is therefore being paid to the utilization of this product in hide tanning.

Manchuria Live-Stock Industry Co.

The Manchuria Live-Stock Industry Company, which was established in August, 1937 as a semi-governmental corporation on a capital of 5 million yuan, half of which is paid-up, to play a leading role in the guidance and improvement of live-stock raising is to be reorganized into a special governmental corporation, simultaneously with collection of its unpaid capital to the amount of ¥2,500,000, it has been tentatively decided by the Manchoukuo Department of Industry and other authorities concerned.

The Company, after its reorganization, will undertake the following enterprises: (1) The company will loan money to the live-stock exchanges to facilitate fair transactions. (2) Loaning money to the Agricultural Association. Besides, assisting its enterprises.

The Manchuria Live-Stock Industry Company, it is reported, will take part in the manufacture of commodities from farm produce. It is understood that in the latter half of the fiscal year of 1939 it will take over the factories in Harbin now being managed by the South Manchuria Railway Company for the production of such commodities.

Poppy Growing

The area under cultivation of poppy amounted to 1,030,000 hectares in 1937 as compared with 880,000 hectares in 1936 and 941,000 hectares in 1933. In 1938 it was planned to reduce the area to 710,000 hectares.

The largest poppy growing districts are the provinces of Jehol, Sankiang and West Hsingan.

Table 13. Legalized Area for Poppy Growing

	Jehol	Kirin	West Hsingan	Fengtien	Chinchow	Antung	Chientao	Pinkiang	Sankiang	Total
1933	580	361	—	—	—	—	—	—	—	941
1934	460	486	40	80	—	—	—	—	—	1,066
1935	310	—	10	—	30	10	145	50	135	690
1936	600	—	50	—	—	—	—	30	200	880
1937	700	—	50	—	—	—	—	30	250	1,030
1938	650	—	60	—	—	—	—	—	—	710

Table 14. State Purchases and Sales of Opium

Quantity in liang (1 liang = 50 grams); Value in M¥.

	Purchased		Sold	
	Quantity	Value	Quantity	Value
1933	3,429,601	7,630,775	1,220,403	5,511,033
1934	6,612,951	14,999,670	3,808,499	14,372,726
1935	7,601,254	15,362,449	7,780,606	28,230,347
1936	10,307,943	19,834,666	10,108,223	38,667,556
1937	13,500,000	29,025,000	12,300,000	47,850,000

Public Granaries

By Departmental Order No. 14, August 31, 1935, the Regulations for the Control of Public Granaries were announced by the Department of Civil Affairs. The sum of M¥3,000,000 is being distributed throughout the country as funds and subsidies for building the necessary granaries. The new regulations will enable each "hsien" or county to collect grains from the people and store them for emergency relief and other similar purposes, particularly, in cases of disasters or calamities or for supplying the poor with foodstuffs or furnishing them with needed funds.

Table 15. Statistics on Granaries

	Minimum* quantity cereal holdings (Koku)	Minimum Capacity (Tsubo)	State Subsidy	
			Construction expenses (M¥)	Other expenses (M¥)
Kirin Hsien	222,750	742.5	51,583	88,200
Lungkiang ”	87,750	292.5	29,709	42,924
Heiho ”	2,400	8.0	1,390	2,293
Sankiang ”	39,900	133.0	11,920	17,052
Pinkiang ”	200,250	667.5	52,200	91,728
Mutankiang ”				
Chientao ”	21,000	70.0	4,040	9,878
Antung ”	141,000	470.0	46,440	54,096
Tunghua ”				
Fengtien ”	411,450	1,371.5	122,819	167,757
Chinchow ”	144,000	480.0	55,100	52,272
Jehol ”	106,500	355.0	37,964	51,744
Hsingan ”	14,250	47.5	5,700	7,056
Total	1,391,250	4,637.5	418,865	585,000

Note: * Each hsien is furthermore required by law to command the financial resources to double its minimum quantity of stored cereals. The said quantity shall be determined by the Civil Affairs, Minister (at present the Minister of the Department of Industry).

Manchoukuo Government's Basic Policy for Agricultural Development

On April 21, 1936 the Manchoukuo Government announced a fundamental policy for the exploitation of the country's inexhaustible agricultural resources. The policy is the outcome of lengthy and careful consultation among the Department of Industry, the Interior and Mongolia Administration which have been in close association with the commercial and industrial possibilities of the State.

The policy is designed to improve the existing out-of-date and primitive methods of agriculture along modern lines and to multiply the output of soya beans, kaoliang, cotton and other staple farm products. It also provides for extensive reforms and renovations in credit and other public facilities for the farming population, including inter alia, the erection in various localities of farm warehouses. Many elaborate and concrete programmes are also laid down in regard to the policy for the general improvement of farming methods, which, it is stated, will be enforced one by one.

The utmost importance is attached to the announced policy, in view of the fact that Manchuria fundamentally is a land of agriculture, nearly 90 per cent. of its population being represented by farmers. It is believed that the enforcement of the policy will reshape the country so far as its agriculture is concerned. The following are the chief programmes put forward by the Government, which relate to the country's staple farm products:

(1) Soya-beans: The growing of soya-beans should be properly controlled according to their actual demand both at home and abroad. For the time being, efforts should be directed towards the improvements of the methods for soya-bean cultivation and quality of the crop, while trying to lower its production cost and commercialize the bean as a commodity.

(2) Kaoliang, millet and maize: The output of kaoliang, millet and maize should be increased by considering the growing demand for them as foodstuffs arising from a steady increase in the national population, their use as fodder in Japan and also the domestic consumption of these products as industrial materials.

(3) Wheat: Particular efforts should be exerted to improve and encourage wheat cultivation in North Manchuria. The total future wheat acreage should be increased to 2,300,000 Japanese cho and the total output of the crop to 20,000,000 Japanese koku.

(4) Cotton: The total cotton acreage should be increased to 300,000 cho and the annual output of cotton to 150,000,000 kin.

(5) Wild silk: Better silk worms should be distributed among the farmers while trying to improve the existing methods of raising them. The annual output of silk cocoons should be raised to 30,000,000.

(6) Sugar beets: The total acreage under sugar beets in North Manchuria alone should be increased to 12,500 cho and the total yearly output of sugar beets to 500,000,000 lbs. so that 700,000 piculs of sugar may be produced to place the country on a self-sufficing basis as far as sugar production is concerned.

(7) Plants for production of fabrics: Cultivation of kenafe particularly in South Manchuria should be encouraged with a view to increasing the total acreage of land for its growing and its annual output to 18,000 hectares and 18,500 metric tons respectively. The total acreage of farms for hemp growing also should be raised to 200,000 cho. The output of other kinds of hemp for fabric manufacture is to be increased to suffice the domestic demand.

(8) Perilla, peanut, sesame, etc.; Cultivation of these crops as materials for oil extraction should be encouraged and at the same time, efforts should be made to improve the methods of their growing.

(9) Hop: In view of a brisk demand for hop in Japan, the total acreage of land under hop is to be raised to 30,000 hectares.

(10) Fruits: Fruit growing particularly in South Manchuria, Chinchow and Jehol should be encouraged as a lucrative subsidiary occupation for the farmers.

(11) Vegetables: Special efforts should be exerted to improve the quality of vegetables. At the same time competent storage facilities should be established to facilitate their distribution.

The erection of farm warehouses in the farming districts is also provided for in the policy. These warehouses are designed not only to store farm products but also to function as credit organs for the farmers in need of funds. It is explained that any farmer will be able easily to borrow money at low rates of interest on the security of his products stored in the warehouses. This method, it is believed, will go a long way towards relieving the farming population from the depression.

The creation of agricultural meteorological observatories in important districts and "model" villages and despatch of agricultural experts to various parts of the country to give counsel to the farmers are also stipulated in the policy.

New State-owned Experimental Farms Planned

In connection with the fundamental policy for agricultural development enumerated above, on April 25, 1936 the Department of Industry of Manchoukuo announced its decision to establish many more State-owned experimental farm stations throughout the whole country. The officials of the Department of Industry declared in this connexion that the necessity had been brought home to them of creating State-owned experimental farm stations in various districts to help improve farming methods and the quality of farm produce. According to the announcement, the country will be divided into 18 farm districts for the sake of convenience, in each of which one State-owned farm station is to be created.

Another novel plan to introduce the use of windmills into Manchoukuo for irrigation purposes has also been revealed by the Department of Industry. In view of the fact that there are many agrarian districts where competent irrigation facilities are lacking, the Department's experts, after a careful study, have determined that the use of windmills as in Belgium is most advisable and profitable.

It is believed that the use of the windmill will be a great blessing to the farmers particularly those who are engaged in live-stock raising in the districts lacking constant sources of water supply, because subterranean water will be made available through the use of the windmill.

Farm Improvement Embodied in Five-year Industrial Development Plan

As one of the principal projects contained in the five-year industrial development plan, which was formally put into operation on January 1, 1937, the Department of Industry has announced a comprehensive programme for the improvement of agriculture and live-stock farming throughout the country. Under this programme an important reform in farm administration is planned. Efforts will be made by the Department especially to facilitate the organization of farmers' guilds in all agrarian districts for which purpose a sum of 750,000 yuan was set aside for the financial year of 1937. The creation of many more model farm village is another important item of the program.

Regarding the improvement of agriculture, attention is to be paid by the Department to the question of increasing the country's output especially of wheat, rice, rye, maize and hemp through the introduction of better seeds and a substantial expansion of areas under cultivation.

A new experimental farm is to be established in Harbin while those already maintained at Koshan and Chiammsu will be enlarged. As regards live-stock farming, officials will be despatched to the United States and Australia to purchase 1,000 heads Merino and Corriedale sheep.

Further, another sheep-breeding farm under State management is to be newly opened in addition to four already in operation. Improvement of facilities for the prevention of animal epidemics is also on the tapis with an animal epidemic prevention law scheduled to be promulgated shortly.

Plans for 1939

The Manchoukuo Government has projected a sufficient increase in the yield of staple agricultural produce by adopting modern mechanical agricultural methods. A concrete plan was drafted in 1938 by the authorities concerned with the Industrial Department of the Manchoukuo Government and the Manchuria Development Company as the nuclea. The plan having been pushed to completion, it was decided to carry into effect the project from the fiscal year 1939, to be completed in three consecutive years. The projected provisions will first be made in the districts in North Manchuria which have been appointed to be settled with Japanese immigrants and which have been fixed as first likely places for the realization of the project. The authorities are expected shortly to despatch special agents to the spot to carry out the necessary investigations. As soon as these have been finished, actual work will be started. The principal features of the project are as follows:

1. Of the areas in North Manchuria allotted for Japanese immigrants settlers, 220,000 chobu shall be set apart and half that area be turned into fields and half partly into pastures and partly reserve fields in the course of three years, the last mentioned fields finally to be worked for agricultural cultivation.

2. Mechanical agricultural provisions shall be established in fifty-five places with a total area of fields of 4,000 chobu. Part of these fields shall be brought into full working order within two years and the rest within three years,

3. Under the entire programme, the effort shall be connected on increase in wheat production, which stands in the most urgent need of increase, and at the end of the programme three years after, a fresh yield of wheat shall be obtained at least to the amount of 160,000 tons. Barley and soya-bean products shall be limited to the bare amount necessary.

4. One hundred and fifty tractors shall be imported from Germany, 16,500 horses and 11,000 head of cattle imported from Japan and America. Of the fund of ¥30,000,000 needed for the execution of the project, the Manchuria Development Company shall take responsibility for raising part or whole of it by issuing loan debentures and obtaining loans from certain prescribed quarters through the good office of the Manchoukuo Government.

References:

Table Nos.: 1-2 a, 3 b, 4-5 a & c, 6-10 a, 11 a & b, 12 c, 13-14 b, 15 a.

Key: a—Dept. of Ind., Manchoukuo.
b—Dept. of Fin. & Com., Manchoukuo.
c—S. M. R. Co.
d—Kwantung Bureau.

CHAPTER XVII

COMMERCE

Commercial Code

The newly compiled Commercial Code of Manchoukuo was promulgated on June 24, 1937 and went into force on July 1st of the same year. The Commerciol Code is comprised of five separate laws, namely, the General Commercial Law, the Corporation Law, the Transportation Law, the Warehousing Law, and the Maritime Commerce Law, and, together with the Law Relating to Bills of Exchange and Promissory Notes and Law Relating to Cheques already promulgated, furnishes the basic regulations for commercial activities in Manchoukuo.

The new Manchoukuo Commercial Code is adopted from the Japanese Commercial Code but has the following distinctive departures:

1. Manchoukuo General Commercial Law, comprised of 93 articles and providing general regulations, has been built up with merchants (having corporate existence or conducting business with stores) as its basis, whereas the Japanese General Commercial Law makes the business transaction its basis.

2. The Manchoukuo Corporation Law (a) recognizes no distinction between business and civil corporations and treats them alike, (b) requires the acknowledgement of a notary public for articles of association, (c) does not require directors and auditors to be shareholders, (d) requires banks to supervise shares, and (e) makes the penal regulations more strict.

3. The Manchoukuo Transportation Law was compiled with a view primarily to land transportation and secondarily to sea transportation.

4. The Manchoukuo Warehousing Law does not recognize the mixed-storage system.

5. The Manchoukuo Maritime Commerce Law is practically the same as the Japanese Maritime Commerce Law, except that the former emphasizes the navigation policy.

Chambers of Commerce

The number of chambers of commerce in Manchuria and their membership by locality are tabulated below:—

Table 1. Chambers of Commerce & Industry

(March, 1939)

Location	No.	Members
Dairen	1	1,148
Hsinking	1	4,601
Fengtien	20	23,841
Pinkiang	20	13,277
Kirin	19	11,280
Chinchow	18	5,198
Antung	8	4,560
Chientao	4	2,604
Sankiang	7	2,677
Lungkiang	11	...
Mutankiang	6	...
Jehol	4	...
Heiho	2	...
Hsingan N.	2	...
” E.	2	...
” W.	4	...
” S.	1	698

Foreign Chambers of Commerce and Industry

The commercial activities of foreigners excepting Japanese and Chinese are concentrated in Harbin and Dairen, so their chambers of commerce and industry are chiefly situated in those two places as follows:—England: Dairen, Yingkow and Harbin; U.S.A.: Harbin; Germany: Harbin; France: Harbin; Soviet Russia: Harbin.

Industrial and Commercial Association.—The industrial and commercial association is a sort of trade association, which has for its object the maintenance of the public interests of the traders. The Government has drafted legislation concerning the Association. Pending the enactment of the law similar laws which were in force during the former regime are made use of in regard to the Association.

Trade Marks

In September, 1933 the Trade Mark Law and Detailed Regulations for the Enforcement of the Law were promulgated by the Manchoukuo Government. From their enforcement on November 20 of the same year to the end of December, 1936 the Government received a total of 24,054 applications for trade mark registration.

The number of applications from nationals of countries, which have not yet recognized the new State, is steadily increasing.

Weights and Measures

Various standards of weights and measures have been in use in Manchoukuo, to the great inconvenience of dealers and customers alike. Generally speaking they may be classified into the Chinese, Japanese and Russian systems, the international metric, and the British "foot-pound" systems. Each has its own particular field of use, the Chinese system being employed among the Manchurians and Chinese, the Japanese among the Japanese, the Russian among the Russian population, and the metric and the foot-pound standards among those having transactions with the South Manchuria Railway Co. In order to reform this confused state of affairs, the Government, on January 25, 1934 promulgated the Weights and Measures Law, stipulating that for general transactions and for purposes of certification, the international metric system or the new "chih-chin" system should be used. In September, 1935, a measurement law was enacted to unify all weights and measures which were excluded from the Weights and Measures Law of 1934.

Under the present system all implements for weights and measures must be duly inspected and authenticated by the authorized public weighters and measurers located in town and country before such implements can be used for business transactions.

Japanese Organs

The Japanese commercial organs may be broadly divided into two groups. One of them is intended to promote and further the interests of the Japanese merchants and the other the interests of those engaged in the same line of business. The former consists of Chambers of Commerce and Industry, Business Societies and Business Associations. The latter consists of co-operative societies. Besides, there are commercial museums, which are playing an important role in the development of Japanese trade and commerce.

Trade Associations.—Co-operative undertakings are generally developing both in the size of capital and in the scope of the business. Excepting, however, the consumption guild composed by the members of the S. M. R. Co., and the Manchou Import Guild, these associations in general do not yet show great activity. The trade associations organized by Japanese, Manchoukuoans and foreigners as at the end of 1914 were 353 in number with a total membership of 107,833.

Manchu Import Guild.—The first import guild in Manchuria was established in Mukden in 1927 with the object of reviving the activity of the Japanese merchants residing in Manchuria, who had been hard hit by the post-war depression and of accelerating the import of Japanese goods into Manchuria. At present there are in all a score of import guilds scattered over principal cities and towns.

Table 2. Condition of Import Guilds

	Members	Member unions (¥1,000)	Subscription (¥1,000)	Advances		
				Advanced (¥1,000)	Redeemed (¥1,000)	Outstanding (¥1,000)
1935	1,273	340	2,346	....	....	3,461
1936	1,279	342	2,447	17,769	17,956	3,254
1937	1,377	363	2,586	18,620	18,307	3,567
1938	1,352	370	2,658	19,980	19,950	3,597
1939	1,423	...	....	16,022	14,056	4,099

S.M.R. Consumption Guild.—Principal associations formed by consumers comprise the S.M.R. Consumption Guild, the Kwantung Government Purchasing Guilds, the Communications Purchasing Guild, etc.

The origin of the S.M.R. Consumption Guild is to be sought in an institution established by the S.M.R. Co., in August, 1907 to supply the necessaries of life to the members of the Company resident along the railway lines. It was on November 1, 1919 that it was reorganized into a consumption guild under the present title partly to meet the requirements of the times and partly to meet the ardent desires of the whole staff of the Company. At present the guild is concerned not only in the sale but also in production by keeping factories for foreign and and Japanese clothing and a bakery at Dairen and also a watch mending factory. Thus it meets the requirements of the members of the S.M.R. Company, who, as at the end of July, 1936, numbered 42,971 (115,150 inclusive of their families). The gross receipts of the guild for 1935 were ¥19,978,000, approximately, and there was a surplus of ¥468,000.

Trading Houses.—The trading houses which carry on the introduction of goods, their propaganda, etc., were at first subsidized by the S.M.R. Company. There are nine of these houses, eleven branches and five sub-branches scattered over Tsitsihar, Taonan, Kirin, Chinchou, Hailar and four other places.

Japan-Manchoukuo Business Association.—The Japan-Manchoukuo Business Association was organized on November 18, 1933 in accordance with the resolution adopted at a reunion of prominent Japanese and Manchoukuoan business men held under the auspices of the Association supporting the Dairen Exhibition in August, 1933. The Association, of which Vice Admiral Takuo Godo is president, has its headquarters in the Japan Chamber of Commerce and Industry, Tokyo and branches at Dairen and Seoul. It has for its object expediting the economic co-operation of the two countries and assisting in the economic construction of the new Empire, with an eye to the co-prosperity of the two countries.

At the sixth session of the Japan-Manchoukuo Business Association convened at Hsinking on May 18, 1939 the following bills were approved: (1) A measure to set up an organ to control and promote East Asiatic Trade, (2) Regimentation and rationalization of industrial facilities to the most suitable locations, (3) Revision of the tariff system to accommodate the best interests of both countries, and eventually lead to the entire removal of Customs barriers between the two Empires, (4) Modification and revision of the ban on Japanese imports to Manchoukuo, (5) Development of traffic routes for the facilitation of industrial enterprise.

Japan-Manchoukuo Trade Federation.—The Japan-Manchoukuo Trade Federation was brought into being in January, 1935 as a by-product of an anti-consumption guild campaign. It is organized by associations of firms in Dairen, Tsitsihar and Chinchou and other similar organizations in all the other cities of Manchoukuo, numbering 14 in all. It has headquarters in the Chamber of Commerce and Industry, Hsinking.

Japan-Manchoukuo Trading Company

The Japan-Manchoukuo Trading Company (Nichiman Shoji K.K.) was established in 1936 with a capital of ¥10,000,000 (¥6,000,000 paid up) with a view to transacting in the following business:

(1) To deal in fuels, metals, fertilizers, minerals, building materials, chemical industrial products, etc. and conduct commission business, (2) To conduct business at the request or order of the Government in addition to the foregoing business.

The Company is at present a national distribution control organ of the Government. At the outset, the Company was composed of the former sales department of the South Manchuria Railway Co. and the former sales department of the Manchuria Coal Mining Co. and the former Fushun Coal Sales Co. in Japan. Later, the sales departments of the Showa Steel Works and the Manchuria Chemical Industrial Co. were also incorporated in the firm.

EXCHANGES

Japanese Exchanges

The Japanese exchanges in Manchuria may be broadly divided into two classes, namely, the Government exchanges established by and under the supervision of the Kwantung Government (as a result of the reorganization of the exchange, the right of supervision has been vested in the Envoy Extraordinary and Ambassador Plenipotentiary since the end of 1934) and the private exchange of the organization of joint-stock company to be established with the approval of the Kwantung Government. The former exchanges are in Dairen and Hsinking, dealing in the staple products of Manchuria, viz. soya-beans, bean-cake, bean oil, kaoliang and rice and gold and silver currencies. The latter exchanges comprise the Dairen Stock and Produce Exchange, the Antung Exchange, the Manchu Exchange and the Harbin Exchange, which was established in October, 1933 under Japanese and Manchoukuoan joint management.

Government Exchanges

In 1913 the Kwantung Government established the Dairen Exchange. Later exchanges were established in many places such as Kaiyuan, Changchun, Kungchuling, Tiehling, Ssupingchieh, Mukden, Yingkow, Liaoyang and Antung. In the post-war depression, however, most of these exchanges found themselves in serious circumstances. At last in October, 1934 the exchanges in Tiehling, Liaoyang and Yingkow were closed. In March, 1934 those in Kaiyuan, Ssupingchieh and Kungchuling were also closed. The only produce exchange that enjoys a thriving business is the Dairen Exchange. Like the produce exchange, the currency exchange at Dairen enjoys a good run of business, while similar exchanges at Mukden, Antung and Hsinking are generally declining in activity.

Dairen Stock and Commodity Exchange.—The Dairen Stock and Commodity Exchange was established in February, 1920 with a capital of ¥10,000,000 in accordance with the Exchange Act of Kwantung Province. As a result of re-adjustments effected several times, the capital as in December 1938, was down to ¥5,000,000, of which ¥2,500,000 was paid up. It is popularly known as the "Five Goods Market," because it deals in five items namely, securities, gunny bags, cotton yarn and cloth, wheat flour and sugar. At present there are little or no transactions in flour and sugar. The Exchange deals chiefly in securities. It is fast improving in position as the largest securities market in Manchoukuo.

Manchu Exchange.—The Manchu Exchange at Mukden is capitalized at ¥1,000,000, of which ¥250,000 is paid up. It is a joint-stock organization. It deals in share certificates, public loan bonds and commodities. At present transactions in commodities are suspended. Chiefly because Mukden is the industrial centre of Manchoukuo the Exchange is steadily increasing in trading in securities, even threatening to outrun the Dairen Exchange.

Harbin Exchange.—The Harbin Exchange is the only exchange that was brought into being in accordance with the Exchange Act promulgated in 1928 during the old regime. Formerly, it was known as the Pinkiang Provisions Exchange. It was in October, 1933 that the Exchange was reorganized into a joint-stock company under Japanese-Manchoukuoan management with a capital of M¥2,000,000. At present the capital is paid up to the extent of M¥1,200,000. At first the Exchange dealt in soya-beans, bean-cake, bean oil, wheat flour, gunny bags, cotton yarn and cloth, miscellaneous grains and engaged in warehousing as an ancillary business. Currency and soya-beans were added to the list with the opening of the market for 1935 on January 4. Much is expected of the future of the Exchange which has a speciality of its own as an economic artery of North Manchuria.

Manchoukuo Exchanges

Barring Japanese exchanges in the principal towns along the railway lines referred to above, the exchanges in Manchoukuo have not yet made much development. For the purpose of laying down a basic policy of the exchange, in 1933 the Government made a detailed investigation of the exchanges of the whole country. As a result, it was decided to reopen those exchanges which had been suspended and cause pseudo exchanges to be closed and have applications for the establishment of new ones to be filed with the Department of Industry.

MARKETS

In Manchuria there have hitherto been two groups of markets, one representing old style markets for Manchus comprising second hand furniture, low class miscellaneous goods, provisions, shows, even gambling and the other a mixture of wholesale and retail markets under the management of market companies in the S.M.R. Zone supplying fresh and raw provisions to Japan. Besides there were special markets such as a fish market under the management of the Kwantung Fishery Association and the Dairen Central Wholesale Market under the direct management of the Dairen Municipality.

COMPANIES

Recent Characteristics.—Companies in Manchoukuo may be broadly divided into two categories, namely, private companies as such, and special and semi-special concerns, popularly known as "national policy companies". These latter types of companies are wholly or partially government-controlled, and were established with a view to creating a greater degree of rationalization in the various industries. This type of corporate structure is, however, not an innovation in Manchuria, its origin being traceable to 1906 with the establishment of the South Manchuria Railway Company. But it is only after the foundation of Manchoukuo that these national policy companies started to increase in number and influence.

Table 3. Number and Amount of Capital of Companies in Manchoukuo and Kwantung

(In ¥1,000)

	Joint stock companies			Limited partnerships		Unlimited partnerships		Total	
	No.	Authorized capital	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital or investment
1930 ...	422	951,825	674,028	742	27,312	107	12,369	1,271	713,711
1931 ...	414	939,670	665,019	816	28,731	121	13,080	1,351	706,831
1932 ...	437	984,448	692,704	928	31,420	132	13,365	1,479	737,520
1983 ...	477	1,447,343	942,508	1,047	34,457	159	14,459	1,683	991,425
1934 ...	573	1,764,495	1,116,465	1,201	39,760	192	16,902	1,966	1,173,128
1935 ...	674	1,764,135	1,197,014	1,385	47,078	227	18,501	2,286	1,262,594
1936 ...	794	1,946,960	1,337,041	1,648	58,993	326	25,651	2,768	1,421,685
1937 ...	959	2,951,444	2,122,827	1,862	69,134	598	41,492	3,419	2,233,452
1938 ...	1,136	3,440,361	2,450,398	2,018	78,362	1,070	59,608	4,224	2,588,368
1939 (June).	1,143	3,451,951	2,488,801	1,934	72,727	1,059	61,809	4,136	3,586,487

During the years immediately following the birth of the new state, it was the government's principle to establish specialized companies each with monopolistic control over one industry. However, it was found that this tended to prevent a smooth coordination among the various industries. Consequently, the principle was revised so as to place a group of allied enterprises under a single mother company. An archtype is the Manchuria Industrial Development Corporation founded in 1937 with contro lof a string of important industries in the country.

The government's voice in the semi-special and special concerns is manifested mainly in the following ways: (1) through ownership of shares, (2) through the granting of subsidy, (3) through the imposition of control laws and acts.

Table 4. Number and Paid-up Capital of Joint Stock Companies by Business in Manchoukuo and Kwantung

(Amount in ¥1,000)

	Agriculture, forestry, fishery and colonization		Mining		Mfg. Industry		Commerce and exchange		Transportation and communication		Bourse & Banking		Total incl Others	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1930...	16	9,135	6	3,475	148	91,801	95	27,775	35	487,077	68	30,632	412	674,028
1931...	15	9,035	6	3,475	147	90,938	92	26,349	35	487,127	68	30,632	414	665,019
1932...	16	9,060	6	3,475	151	93,393	100	27,889	37	492,527	70	45,657	437	692,704
1933...	18	9,135	7	5,975	172	158,592	108	30,514	41	666,488	72	50,677	477	942,508
1934...	22	10,335	12	27,187	207	295,663	123	32,434	49	667,383	89	58,102	573	1,116,465
1935...	25	11,113	16	37,600	238	349,157	164	42,720	56	668,453	95	55,027	674	1,197,015
1936...	31	27,800	16	37,825	284	469,736	190	52,346	59	660,780	108	49,849	794	1,337,042
1937...	33	57,478	31	77,163	351	630,496	237	84,206	68	717,195	111	67,592	959	2,122,827
1938...	36	78,946	42	160,188	417	766,112	296	107,993	76	801,920	114	69,350	1,136	2,450,398

Table 5. Paid-up Capital of Joint-stock Companies Classified By Industries

(Index 1934=100; % against total)

	Agriculture, forestry, fishery and colonization		Mining		Mfg. Industry		Commerce and exchange		Transportation and communication		Bourse & Banking		Total incl. Others	
	Index	%	Index	%	Index	%	Index	%	Index	%	Index	%	Index	%
1930 ...	89	1.4	13	0.5	31	13.6	86	4.0	72	72.2	53	4.5	61	100
1931 ...	87	1.4	13	0.5	30	13.4	81	4.0	72	73.2	53	4.6	60	100
1932 ...	87	1.3	13	0.5	32	13.4	87	4.0	74	71.0	79	6.6	62	100
1933 ...	89	1.0	22	0.6	54	16.9	95	4.2	100	70.3	87	5.4	85	100
1934 ...	100	0.9	100	2.5	100	26.6	100	2.9	100	60.0	100	5.2	100	100
1935 ...	107	1.0	140	3.4	119	31.3	130	3.8	101	59.6	95	4.9	108	100
1936 ...	270	2.8	140	2.8	159	35.0	162	3.9	99	49.5	86	3.7	120	100
1937 ...	560	2.7	285	3.6	210	29.8	260	4.0	108	34.8	117	3.7	194	100
1938 ...	767	3.2	590	6.5	260	31.3	330	4.4	122	32.7	120	2.8	222	100

Corporate Capitalization in 1939

According to statistics compiled by the Department of Finance and Commerce, there were 4,136 corporations in all in Manchuria at the end of June, 1939, and their combined paid up capital amounted to 3,586 million yuan. Of the above total, joint-stock companies numbered 1,143, with an aggregate authorized capital of 3,452 million yuan, of which 2,489 million yuan was paid up. Limited and unlimited partnerships numbered 1,934 and 1,059 respectively, their capital amounting to 72 million yuan and 60 million yuan respectively.

Corporate Expansion.—Reflecting the growth of industrial activity, the number of companies as well as corporate capitalization in Manchuria have been on the increase. Paid-up capital has almost quardrupled between 1930 and 1938, increasing from 713 million yen to 2,588 million yen. Most of the capital was invested in joint stock companies.

The number of companies also increased from 1,271 in 1930 to 4,224 in 1938.

Investments in joint stock companies by enterprises showed that the manufacturing industries accounted for the largest share. Total paid-up capital in this enterprise was ¥795,991,000 in 1938. It was followed by the transportation industry with ¥770,221,000.

Provisional Capital Control Law

The Provisional Capital Control Law was enforced by the Manchoukuo Government on October 1, 1938, in line with its policy to control the raising of funds in Manchuria, which are urgently needed for the execution of the Five-Year Industrial Plan. Various enterprises in Manchoukuo have been making much progress of late parallel with the progress of the Five-Year Plan, and the demand for capital has, as a result, become increasingly large. If the situation were left to take its own course, it is feared that the capital may be used in not urgently necessary industries. It is to effectively utilize domestic capital for the smooth execution of the five-year plan as well as for other enterprises which are indispensable to the economic life of the people that the Provisional Capital Control Law was enacted. This law also aims at regulating any unreasonable soaring of general commodity prices.

Formerly, all companies, with the exception of special corporations, were not required to apply to the Department of Finance and Commerce to obtain permission on such matter as the establishment of new concerns, increase of capital, mergers, calling up of unpaid shares, and debenture flotation. Under the above law, however, all companies, regardless of the amount of their capital, are subject to the same requirements.

Capitalization Expansion

In accordance with the provisions of the Provisional Capital Control Law, enforced on October 1, 1938, a total of 232 permits were granted to various companies in Manchoukuo during the six-month period ending March 31, 1939, for increasing their capital, calling up unpaid shares, floating debentures, etc., to the amount of M¥993,959,000, according to an announcement made by the Department of Finance and Commerce on June 2, 1939.

Classified by business, mining and manufacturing companies led the list with M¥754,000,000, which is 70 per cent of the total amount involved in the permits, and indicates the rapid expansion of "emergency" industries in Manchuria. According to categories, the calling up of unpaid shares came first with M¥194,000,000, and debenture flotation second, with M¥127,000,000. The following table shows the amount of permits, classified by enterprises:

Table 6. Companies Classified By Scale of Paid-up Capital

	Below M¥50,000		Above M¥50,000		Above M¥100,000		Above M¥500,000		Above M¥1 Million	
	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %
1935	1,372	1.5	289	1.3	442	6.3	78	3.6	87	13.5
1936	1,635	1.6	372	1.5	546	6.7	95	3.9	98	14.0
1937	2,047	1.3	432	1.1	642	5.1	115	3.0	141	12.1
1938	2,596	1.4	499	1.1	775	5.5	132	3.0	161	12.1
1938:										
Agriculture & Forestry	49	2.1	17	2.1	18	7.8	4	4.1	2	7.2
Aquatic	6	5.0	—	—	3	20.0	1	25.0	1	50.0
Mining	27	0.2	10	0.3	16	2.0	9	3.3	14	17.0
Mfg. Ind.	549	1.0	122	0.9	230	5.5	51	3.9	78	21.3
Transportation	104	0.2	25	0.2	39	1.0	6	0.5	12	3.4
Communications	—	—	—	—	—	—	—	—	—	—
Development	—	—	—	—	—	—	—	—	—	—
Real Estate	119	3.1	56	4.3	130	30.0	18	12.5	13	23.8
Commerce	1,488	12.8	214	8.1	235	26.2	28	10.3	25	25.0
Exchange	—	—	—	—	9	16.6	1	5.3	3	78.1
Bourse	99	2.2	32	2.6	56	15.0	12	10.8	9	19.0
Others	156	0.4	23	0.3	39	1.6	2	0.4	4	1.9

(Continued)

	Above M¥5 Million		Above M¥10 Million		Above M¥100 Million		Total	
	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. %	Cos.	Cap. (M¥1,000)
1935	7	3.1	10	24.4	1	46.3	2,286	1,262,594
1936	16	6.9	10	24.3	1	41.1	2,768	1,421,685
1937	20	5.3	19	19.3	3	52.8	3,419	2,233,450
1938	31	6,9	26	19.8	4	50.2	4,224	2,588,367
1938:								
Agriculture & Forestry	3	35.8	1	40.9	—	—	94	48,859
Aquatic	—	—	—	—	—	—	11	2,006
Mining	1	4.3	5	72.9	—	—	82	162,877
Mfg. Ind.	18	13.5	12	27.8	2	26.1	1,061	795,991
Transportation	1	0.6	2	3.7	1	90.4	190	770,221
Communications	—	—	1	100.0	—	—	1	36,250
Development	2	18.4	2	81.6	—	—	2	40,800
Real Estate	1	6.6	1	19.7	—	—	338	76,080
Commerce	4	11.1	1	6.5	—	—	1,995	153,103
Exchange	—	—	—	—	—	—	13	9,385
Bourse	1	8.4	2	42.0	—	—	211	71,393
Others	1	1.2	—	—	1	94.2	226	421,398

Note: The % of paid-up capitalization is against the grand total in case of the yearly comparison, and is against each class total when subdivided by industries

Table 7. Number of Compan ies and Movements of Capital
(Unit: Amount in One Million M¥)

	Newly Established		Newly Increased		Newly paid-up		Decrease		Dissolved		Outstanding	
	Firms	Amount	Firms	Amount	Firms	Amount	Firms	Amount	Firms	Amount	Firms	Amount
1935	358	72.0	43	5.9	33	56.2	13	3.6	93	6.3	2,380	1,294.3
1936	587	186.3	49	15.9	40	51.6	19	19.7	131	24.0	2,836	1,505.6
1937	686	374.5	96	202.7	65	64.1	11	2.7	140	20.0	3,382	2,182.3
1938	811	161.2	128	29.8	98	196.4	5	0.3	151	28.2	4,042	2,581.1

Table 8. Paid-up Capital and No. of Joint Stock Companies

		No. of Cos.	Capital (M¥1,000)
Agriculture & Forestry	1935	20	9,705
	1936	24	9,893
	1937	26	18,330
	1938	30	36,573
” Agriculture	1935	13	8,625
	1936	16	6,313
	1937	14	6,375
	1938	15	6,500
” Forestry	1935	—	—
	1936	1	2,500
	1937	4	8,375
	1938	5	23,700
” Stock-breeding	1935	7	1,080
	1936	7	1,080
	1937	8	3,580
	1938	10	6,373
Aquatic	1935	5	1,408
	1936	5	1,408
	1937	4	1,648
	1938	5	1,613
” Salt	1935	1	500
	1936	1	500
	1937	1	500
	1938	1	500
” Fishery	1935	4	908
	1936	4	1,185
	1937	4	1,148
	1938	3	1,113
Mining	1935	16	37,600
	1936	16	37,825
	1937	31	77,163
	1938	42	160,188
” Coal	1935	2	18,500
	1936	2	18,500
	1937	4	36,600
	1938	6	69,200
” Gold	1935	4	7,875
	1936	4	7,875
	1937	9	23,025
	1938	14	40,075
” Others	1935	10	11,225
	1936	10	11,450
	1937	18	17,538
	1938	22	50,913
Manufacturing Industries	1935	238	349,157
	1936	384	469,736
	1937	351	630,496
	1938	417	766,112
” Spinning	1935	21	16,371
	1936	24	24,138
	1937	31	36,243
	1938	33	49,883
” Metallic	1935	14	105,648
	1936	16	115,948
	1937	20	147,448
	1938	33	191,303
” Machinery	1935	15	10,538
	1936	17	15,023
	1937	32	25,940
	1938	45	59,898

(Continued)

		No. of Cos.	Capital (M¥1,000)
” Ceramic			
	1935	34	17,933
	1936	41	21,191
	1937	44	22,231
	1938	51	27,263
” Chemical			
	1935	38	46,840
	1936	48	71,685
	1937	58	106,255
	1938	75	124,855
” Food			
	1935	47	31,713
	1936	56	42,572
	1937	71	50,324
	1938	77	51,205
” Electric			
	1935	18	92,978
	1936	17	93,345
	1937	20	123,300
	1938	16	135,717
” Gas			
	1935	1	10,000
	1936	1	10,000
	1937	2	18,000
	1938	2	18,000
” Lumbering & Wood-working			
	1935	20	6,055
	1936	26	8,190
	1937	25	7,960
	1938	30	9,430
” Printing & Bookbinding			
	1935	10	1,201
	1936	13	1,451
	1937	16	2,486
	1938	18	3,976
” Miscellaneous			
	1935	20	9,883
	1936	25	66,195
	1937	32	90,311
	1938	37	94,584
Transportation	1935	55	639,078
	1936	58	624,531
	1937	67	730,945
	1938	75	675,671
” Land Transport			
	1935	22	612,648
	1936	24	595,558
	1937	25	690,613
	1938	29	721,589
” Marine Transport			
	1935	16	18,463
	1936	16	18,313
	1937	20	20,708
	1938	21	21,188
” Air Transport			
	1935	1	3,850
	1936	1	8,000
	1937	1	11,580
	1938	1	13,970
” Express			
	1935	16	4,118
	1936	17	2,660
	1937	21	8,045
	1938	24	8,925
Communication	1935	1	29,375
	1936	1	36,250
	1937	1	36,250
	1938	1	36,250
Development	1935	—	—
	1936	2	16,500
	1937	2	37,500
	1938	2	40,800
Real Estate	1935	49	25,753
	1936	65	28,453
	1937	81	29,306
	1938	94	49,044
Commerce	1935	151	32,835
	1936	178	44,087
	1937	225	74,946
	1938	283	98,608
” Commercial			
	1935	135	30,639
	1936	160	41,621
	1937	205	72,295
	1938	264	96,032
” Warehouse			
	1935	8	1,456
	1936	9	1,481
	1937	10	1,556
	1938	10	1,556
” Market			
	1935	8	740
	1936	9	985
	1937	10	1,095
	1938	9	1,020
Exchange	1935	13	9,885
	1936	12	8,260
	1937	12	9,260
	1938	13	9,385
” Stock Exchange			
	1935	4	2,950
	1936	4	2,950
	1937	4	2,950
	1938	4	2,950
” Bill Clearing			
	1935	9	6,935
	1936	8	5,310
	1937	8	5,310
	1938	9	5,435
Bourse	1935	95	55,027
	1936	108	49,849
	1937	111	67,592
	1938	114	69,351
” Banks			
	1935	35	27,506
	1936	41	31,325
	1937	44	47,708
	1938	45	48,783
” Miscellaneous			
	1935	60	17,521
	1936	67	18,524
	1937	67	19,884
	1938	69	20,568
Others	1935	31	6,193
	1936	41	9,252
	1937	47	409,392
	1938	61	416,805
Grand Total	1935	674	1,196,015
	1936	794	1,336,042
	1937	959	2,122,827
	1938	1,136	2,450,398

Corporate Investments by Leading Companies

With almost no exception capital investments made in the leading companies in Manchuria in recent years are by Japanese establishments. All of the principal Japanese concerns have shown interest in Manchurian enterprises in varying degree. Hereunder are given the leading companies in Manchuria established since the founding of the new state and the amount of investments made in them by Japanese interests:

Table 9. Principal Companies in Manchuria
(1938)

		Capital			Principal Investors	
	Established	Authorized (¥1,000)	Paid-up (¥1,000)	No. of shares	Names	Shares (1,000)
Agriculture:						
Dairen Agricultural	1929	10,000	5,000	200	S.M.R.	200
*Manchuria Cotton	1934	2,000	500	40	Manchoukuo Gov.	20
					Noji Gassakusha	20
*Manchuria Forestry	1936	5,000	5,000	100	Manchoukuo Gov.	50
					S.M.R.	25
					Kyoei Ind.	25
Manshu Shinwa Mokuzai (Timber)	1937	2,000	1,000	40	N. Nakamura	30
*Manchuria Livestock	1937	5,000	2,500	100	Manchoukuo Gov.	55
					Manchuria Ind. Develop.	30
					Mansen Develop.	15
Mining:						
*Manchuria Colliery	1934	80,000	48,000	1,600	Manchuria Heavy Ind.	1,555
					Manchoukuo Gov.	23
*Manchuria Gold Mining	1934	12,000	12,000	240	Manchoukuo Gov.	100
					Manchuria Ind. Develop.	100
					Oriental Develop.	40
Tempozan Mining	1937	7,000	7,000	140	S. Manchuria Taiko	139
Manshu Lead Mining	1935	4,000	4,000	80	Manchuria Mining	40
					Nichiman Mining	40
*Manchuria Mining Develop.	1935	50,000	20,000	1,000	Manchoukuo Gov.	950
					S.M.R.	50
†Penhsihu Iron & Colliery	1910	10,000	10,000	200	Okura Mining	119
					Dept. of Fin. & Com.	80
Manchuria Mining	1938	50,000	25,000	1,000	Manchuria Ind. Develop.	1,000
Tohendo Develop.	1938	30,000	15,600	600	Manchuria Ind. Develop.	400
					Manchuria Colliery	200
Manufacturing Ind.:						
Manchu-Mongol Wool	1918	10,000	6,625	200	Oriental Develop.	174
					S.M.R.	3
Manshu Cotton Spinning	1923	5,000	3,750	100	Fuji Gas Spinning	49
					S.M.R.	25
Manshu Hemp	1917	5,000	2,375	100	T. Inoue	19
					Hiyoshi Co.	8
					Teikoku Ramie	6
Yingkow Weaving	1933	8,000	8,000	320	Chosen Weaving	184
†Mukden Spin. & Weav.	1936	4,500	4,171	45	Manchoukuo Gov.	22
					Central Bank of M.	3
†Showa Steel Works	1929	200,000	125,000	4,000	Manchuria Ind. Develop.	3,100
					S.M.R.	899
Manshu Sumitomo Metal Ind.	1934	10,000	10,000	200	Sumitomo Concern	200
Anshan Steel Materials	1934	5,000	3,000	100	Tekko Shoken	7
					Japan Rail	6
Nichi-Man Steel Tube	1935	5,000	1,250	100	Japan Steel Tube	93
					Anshan Steel Material	5
Manshu Casting	1936	5,000	5,000	100	Kobe Steel Works	100
*Manshu Light Metal Mfg.	1936	50,000	31,250	1,000	Manchuria Ind. Develop.	980
					Sumitomo Co.	10
*Dowa Automobile	1934	6,200	6,200	124	Manchuria Ind. Develop.	71
					Tokyo Automobile	18
					Mitsubishi Heavy Ind.	9
					Kawasaki Loco. & Car.	9
					Nippon Sharyo	9

(Continued)		Capital			Principal investors	
	Estab-lished	Authorized (¥1,000)	Paid-up (¥1,100)	No. of shares	Names	Shares (1,000)
Manshu Kosho (Machinery)	1934	20,000	8,600	400	......	
Manshu Kiki (Machinery)	1935	10,000	6,500	200	T. Ito Y. Terayama	47 30
*Mukden Arsenal	1936	4,600	4,600	9	Manchoukuo Gov. Mitsui Bussan Okura Shoji	5 2 2
*Manshu Keiki (Guage & Meter)	1936	3,000	1,500	60	Manchoukuo Gov.	30
Dairen Kikai (Machinery)	1918	10,000	8,000	200	Shinwa Shokai Nippon Sharyo Y. Aioi	41 20 15
Daito Cement	1933	3,000	3,000	100	Asano Cement	100
Manshu Onoda Cement	1935	5,000	2,500	100	Onoda Cement Mitsui Bussan	51 20
†Manshu Chem. Ind.	1933	25,000	25,000	500	S.M.R. Union of All-Japan Purchasing Guilds Toyo Chisso Kogyo	259 50 30
*Manshu Sekiyu	1934	20,000	15,000	400	Manchoukuo Gov. Ind. Bank of Manchou S.M.R.	140 64 50
Manshu Daizu (Soya Bean)	1935	5,000	2,525	100	Japan Oil & Fat S.M.R.	57 34
†Manshu Soda	1936	8,000	6,000	160	Asahi Glass S.M.R. Manshu Kagaku Kogyo Shoko Glass	56 40 40 24
†Manshu Tokan Pulp	1937	10,000	5,000	200	Nichiman Fibre Ind. Manchoukuo Gov. S.M.R. Ind. Bank of Manchou	140 20 20 20
Manshu Pulp	1936	10,000	5,000	200	Mitsubishi Paper G. Terada	65 15
*Manshu Synthetic Fuel	1937	50,000	10,000	1,000	Manchoukuo Gov. Mitsui Manchuria Colliery Teikoku Nenryo Kogyo	340 340 140 100
*Manshu Liquefaction	1938	20,000	7,500	400	Manchoukuo Gov. Ind. Bank of Manchou	200 100
Manshu Flour	1934	10,000	6,000	200	Oriental Develop. Japan Sugar Mitsui Bussan Mitsubishi Shoji	29 12 12 11
Manshu Sugar	1935	10,000	2,500	200	Taiwan Sugar Dainippon Sugar Meiji Sugar Ensuiko Sugar	27 24 24 24
*Manshu Salt Ind.	1936	5,000	2,500	100	Dainippon Salt Ind. Manchoukuo Gov. S.M.R.	32 25 20
†Manchuria Electric	1934	160,000	107,500	3,200	S.M.R. Ind. Bank of Manchou Manchoukuo Gov.	826 844 531
*Manshu Oryokko Hydro Electric	1937	50,000	25,000	1,000	Manchoukuo Gov. Oriental Develop. Choshinko Hydro	500 200 200
S. Manchuria Gas	1925	10,000	10,000	200	S.M.R.	98
*Manshu Tosho (books)	1937	2,000	2,000	40	Manchoukuo Gov. Tokyo Book Japan Book	20 6 6
Manchou Tobacco	1934	12,000	3,000	240	T. Hasegawa	103
Manshu Toa Tobacco	1937	25,000	25,000	500	Toa Tobacco	500
Traffic, Transportation & Communication:						
*South Manchuria Ry. Co.	1906	800,000	676,208	16,000	Japanese Gov. Bank of Chosen Yasuda Bank	8,000 251 170
Dairen Toshi Kotsu	1926	5,000	4,400	100	S.M.R.	100

(Continued)		Capital			Principal Investors	
	Estab-lished	Authorized (¥1,000)	Paid-up (¥1,000)	No. of Shares	Names	Shares (1,000)
Kimpuku (Chinfu) Ry.	1925	4,000	2,800	80	Okura & Co. Mitsui Mitsubishi	5 5 5
Dairen S.S.	1915	25,700	14,450	514	S.M.R.	514
†Manshu Aeronautical	1932	13,970	13,970	27.9	Manchoukuo Gov. S.M.R. Sumitomo Mitsui Mitsubishi	10 5 4 4 4
Kokusai Unyu	1926	5,000	3,400	100	S.M.R.	100
*Manchuria Tel. & Teg.	1933	50,000	36,250	1,000	Japanese Gov. Manchoukuo Gov. S.M.R.	330 120 69
Development:						
†Mansen Takushoku	1936	15,000	7,500	300	Senman Takushoku	299
*Manshu Develop.	1937	50,000	30,000	1,000	Manchoukuo Gov. Japanese Gov. S.M.R.	300 300 200
Toa Civil Engrg.	1920	5,000	1,250	100	S.M.R.	47
Real Estate:						
Manshu Immovable Property	1937	10,000	2,500	200	S.M.R.	200
*Manshu Bosan	1938	30,000	15,000	600	Manchoukuo Gov. Oriental Develop. Ind. Bank of Manchou	200 200 200
Kotoku Immovable Property	1937	5,000	1,250	100	Tokyo Tatemono	100
Commerce:						
Manshu Imports Co.	1935	5,000	5,000	100	S. Yamanaka	99
*Manshu Explosives Sales Co.	1935	500	500	10	S.M.R. Penhsihu Iron & Colliery Manchuria Colliery Showa Steel Works Mukden Arsenal Manchoukuo Gov.	1 1 1 1 1 5
†Nichiman Trading	1936	10,000	6,000	200	S.M.R. Manchuria Colliery	102 80
Manshu Life Ins.	1936	3,000	1,500	60	Manchoukuo Gov. Daiichi Life Ins. Chiyoda Life Ins. Nihon Life Assurance	30 5 5 5
Manshu Fire & Marine Ins.	1937	5,000	1,250	100	Tokyo Marine & Fire Mitsubishi " " Meiji Fire Taisho Marine & Fire	19 7 7 7
Exchanges & Clearing:						
Dairen Exchange Trust	1913	12,000	4,125	240	Ind. Bank of Manchou	57
Dairen Stock & Commodity Exchange	1920	5,000	2,000	100	Ind. Bank of Manchou	6
Manshu Security Exchange	1919	1,000	250	20	J. Hirose T. Umagami	3 2
Antung Exchange	1920	2,000	500	40	M. Fukuhara T. Fukuma	7 4
Hsinking Gov. Exchange	1916	1,000	250	20	S.M.R.	10
Harbin Exchange	1933	2,000	1,200	40	S.M.R. Manchuria Life Ins.	5 2
Bourse:						
*Central Bank of Manchou	1932	30,000	15,000	300	Manchoukuo Gov.	300
*Industrial Bank of Manchou	1936	30,000	15,000	300	Manchoukuo Gov. Bank of Chosen	150 150
Tahsin Kungssu	1933	6,000	6,000	120	Central Bank of M.	120
Others:						
*Manchuria Information Assn.	1936	3,000	2,850	60	Manchoukuo Gov. S.M.R.	31 24

(Continued)

	Established	Capital Authorized (¥1,000)	Capital Paid-up (¥1,000)	No. of Shares	Principal Investors Names	Principal Investors Shares (1,000)
*Manshu Eiga (Movie) Assn.	1937	5,000	2,000	100	Manchoukuo Gov.	50
					S.M.R.	50
Daido Sangyo	1920	10,000	5,000	200	S. Kawamoto	10
					Manchoukuo Gov.	45,000
					Nissan	45,000
*Manchuria Ind. Develop. Co.	1937	450,000	396,750	900	Manchoukuo Govt.	450
					Nissan	450

Note: * Represents Special Concerns.
† " Semi-special Concerns.

Warehousing

The warehousing business in Manchuria originated in the Dairen Warehousing Company which began to show activity in 1909. During the war boom more than 40 warehousing companies were brought into being. Since the post-war economic depression set in 1920, the business has dwindled. The warehousing business under the management of the S.M.R. alone has steadily developed without being affected by the depression. The godowns run by the S.M.R. Company are in no way behind those in the advanced countries of the West in scope, accommodating capacity and general equipments.

The S.M.R. warehousing business is so predominant that it represents about 90 per cent. of goods in the godowns in all Manchuria. Besides the S.M.R. godowns, there are twelve principal warehousing companies in Manchoukuo, four of them being in Dairen, two in Mukden, two in Hsinking, three in Harbin and one in Fushun.

Principal goods handled by these godowns are soya-bean, bean-cake, kaoliang, maize, rice, red beans, iron, wheat flour, cement, petroleum. In view of the sharp increase in imports and poor accommodating capacity the Manchou Import Federation started a co-operative import warehouse for its members at the end of July, 1935. The warehouse, which was completed towards the end of the year, is placed under the supervision of the Manchou Import Company, which was established in August, 1935.

S.M.R. Warehousing.—It was in September, 1911 that the S.M.R. Company opened the warehousing business. Prior to this, or in 1908 the Company instituted a small-scale warehousing facility in the Dairen pier compounds; in 1919, it introduced the open-air storage system at the leading stations along its lines and in 1911 inaugurated the present up-to-date warehousing system at the Dairen waterfront and along its railways. At present there are 70 godowns with an aggregate floor space of over 385,000 square metres on the piers and within the pier compounds of the Dairen harbour and no less than 199 godowns with an aggregate floor space of 154,000 square metres at 3 leading stations. The cargoes handled at these godowns amount to over 11,600,000 tons a year, 60% of which are beans and bean products.

It is of special importance to note that, in order to facilitate the shipment and marketing of soya-beans, the Company had inaugurated what is known as the mixed-storage system, first at the Dairen pier in 1912 and then gradually at Mukden, Kaiyuan, and other centres on the main line. Under this unique system the Company grades and classifies beans at receiving points according to qualities and weights and issues receipt which are negotiable at banks and which call for like quantities and qualities of beans at the specified terminal points. The system was so successful that it was later extended to bean-cake, bean-oil and wheat. It is also significant to add that the Company, with the inauguration of its warehousing facilities introduced the practice of the insurance on all goods in storage at the Company's godowns, entirely free of charge to the shippers.

Manchoukuo Enterprise

The warehousing business under Manchoukuoan management is still in a primitive stage of development. It consists simply in receiving goods for custody for a small amount of fees. No warehousing certificate is issued. Nor any means of affording credit is provided. Besides, there is another sort of warehousing agent known as "Liangchan," which exercises superb influence over the trade in special Manchurian products. Besides receiving goods for custody it runs hotel and financial business. Its godowns occupy a very important position outside the S.M. zone, but they are out of comparison with the Manchu and other godowns under Japanese management in point of storage and equipments.

COMMODITY PRICES

Wholesale Price

The wholesale price of commodities has generally advanced since 1934. In certain items the average price obtaining in 1934 has about tripled in the succeeding three and a half years. In the general index in Hsinking, export goods show a spectacular advance, rising from 100 in 1933 to 231.1 in July, 1939. Imports goods rose in the corresponding period from 100 to 171.6, while commodities for domestic consumption increased from 100 to 179.6 in the same period.

Taking the price of specific items for comparison, kaoliang showed a remarkable advance from M¥1.59 in 1934 to M¥6.07 per 100 kin in July, 1939. The commodity which showed the least fluctuation was coal which rose from M¥10.42 per ton in 1934 to M¥12.80 in July, 1939.

Table 10. International Comparison of Wholesale Prices

(Index: 1933=100)

	Hsinking	Dairen	Tokyo	Shanghai	Tientsin	London	New York	Paris
1933 (Aver.) ...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1934 (") ...	92.6	102.2	99.0	93.7	91.3	102.9	113.8	94.3
1935 (") ...	103.4	106.9	103.3	92.6	94.8	106.2	121.4	89.4
1936 (") ...	106.1	109.0	109.6	104.4	110.0	111.4	122.6	104.4
1937 (") ...	125.1	124.8	132.7	123.8	131.1	129.0	131.0	145.1
1938 (") ...	149.6	151.4	140.0	147.0	166.9	114.7	119.1	164.9
1939:								
Jan.	161.4	166.7	144.3	163.2	182.5	104.4	116.4	174.2
Feb.	164.9	171.4	147.3	166.6	186.0	104.3	116.4	174.5
Mar.	171.1	176.2	147.5	173.2	194.0	104.8	116.5	175.5
Apr.	171.7	179.0	148.3	174.4	200.7	106.5	115.5	175.8
May	178.2	184.8	150.1	177.3	225.6	106.6	115.5	178.6
June	182.7	188.4	150.1	192.0	229.2	94.7	114.7	176.5
July	186.0	190.0	150.6	196.8	248.4	...	114.3	174.5

Table 11. Wholesale Commodity Price Indices in Hsinking

Average of	Commodities for domestic consumption (17 Art.)	Export goods (13 Art.)	Import goods (33 Art.)	Raw materials (13 Art.)	Consumers' goods (38 Art.)	Equipment goods (12 Art.)	Farmers' purchases (19 Art.)	Farmers' sales (8 Art.)
1933	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1934	93.6	95.5	90.6	92.9	95.9	93.6	91.5	97.1
1935	103.2	136.7	90.7	94.5	109.3	94.1	99.5	153.1
1936	104.3	147.3	90.7	100.8	112.3	92.4	103.2	157.0
1937	117.0	165.4	113.3	121.4	122.0	139.2	112.0	178.8
1938	137.4	167.2	194.0	147.6	141.8	174.6	141.4	185.2
" July	141.3	184.5	176.9	168.0	152.6	208.1	106.3	206.4
1939 July	179.6	231.1	171.6	166.6	198.4	166.9	171.3	276.8

Average of	Chief staple products (6 Art.)	Miscellaneous cereals (5 Art.)	Foods and beverages (12 Art.)	Textiles (13 Art.)	Metals and metal wares (7 Art.)	Building materials (6 Art.)	Light and fuel (6 Art.)	Miscellaneous (8 Art.)	Average of all commodities (63 Art.)
1933	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1934	94.5	92.8	94.0	90.4	92.4	89.8	94.0	93.4	92.6
1935	179.2	104.5	104.1	88.3	93.3	93.9	91.5	93.6	103.4
1936	185.7	115.8	106.5	91.8	92.8	91.2	94.7	96.0	106.1
1937	202.4	134.4	112.5	106.5	161.7	106.6	98.6	112.5	125.1
1938	202.9	141.6	124.9	151.6	211.6	128.6	106.9	149.5	149.6
" July	230.3	150.7	124.6	183.5	256.2	134.7	108.3	171.2	168.8
1939 July	295.6	204.9	156.7	192.3	152.0	179.6	130.6	201.8	186.0

Table 12. Wholesale Prices of Principal Staple Commodities in Hsinking

(Unit: M¥)

	Rice (koku)	Wheat (1 LB.)	Millet (100 kin)	Wheat flour "3 star" (bag)	Soya Bean "1st" (100 kin)	Bean cake (piece)	Bean Oil (100 kin)	Kaoliang (100 kin)	Gunny bag (100)
1934	20.74	1.35	3.84	2.79	3.36	0.90	10.50	1.59	43.44
1935	26.57	1.42	6.95	3.30	4.10	1.32	18.02	3.84	44.66
1936	25.56	1.47	6.51	3.40	6.18	1.72	22.72	3.17	42.95
1937	26.17	2.07	7.29	4.40	6.30	1.89	22.79	3.71	45.39
1938	32.00	2.69	7.81	5.73	5.69	1.85	17.59	4.17	55.93
1939 July	41.00	2.54	10.58	5.36	7.96	2.68	20.88	6.07	132.67

(Continued)

	Sugar (135 kin)	Cotton Yarn "20 count" (bale)	Cement "Onoda" (bag)	Brick (1,000)	Iron bar (100 kg.)	Lumber "Red pine" (1 cubic ft.)	Glass "Shoko" (case)	Gasoline "yellow" (2 cans)	Coal "Fushun" (ton)
1934	18.07	231.11	1.52	16.17	12.13	1.11	8.74	9.12	10.42
1935	19.03	238.11	1.56	15.83	11.82	1.09	8.84	8.76	10.98
1936	19.69	248.77	1.45	12.45	11.82	1.29	8.94	8.91	11.65
1937	21.56	292.83	1.44	13.66	22.26	1.72	10.45	9.08	11.65
1938	30.94	403.96	1.53	16.13	20.46	2.62	10.42	9.35	12.65
1939 July	41.15	440.00	1.66	27.85	....	3.42	13.05	9.68	12.80

Retail Price

Retail price of commodities in Manchoukuo and Kwantung were lowest in 1931 and since then have taken an upward turn. Especially since the Sino-Japanese Hostilities prices have turned sharply upwards. This trend was given further impetus with the outbreak of war in Europe in September, 1939.

Price Control

The Price Committee consisting of Government officials and representatives of special companies after several meetings in 1939 decided on the principles of price control to be enforced. The object of the price control is not only to check an undue price advance, but the harmonization of the price level with requirements from the viewpoint of the expansion of production capacity.

Principles of Price Control.—(a) Price of domestic commodities shall be stabilized on a comparatively low level, compared with the present level in Japan and Manchoukuo. (b) As regards articles imported from Japan, a balance shall be maintained between prices in Japan and Manchoukuo. (c) As regards export commodities, special consideration shall be given to conditions in oversea markets. (d) For non-essential commodities, comparatively high prices will be allowed in order to check consumption.

Methods of Price Control.—(a) Consideration will be given to checking a future price advance and to price adjustment among various groups of commodities. (1) Distribution will be organized in grains as the main national food, (2) The volume and price of necessaries for daily consumption which are imported from Japan will be placed under special control of the Japanese and Manchoukuo Governments, (3) Measures shall be taken to mitigate the shortage of houses and to check an advance in house rents, (4) Control of wages.

(b) Special organizations, national and local, shall be established to enforce the above methods. These organizations will be intimately connected with adjustment committees for raw materials.

Table 13. Yields of Bonds and Stocks in Japan

(%)

	Bonds			Stocks			New Bonds	
Beginning of month	Government	Local	Debentures	Banks	Industries	Averages	High.	Low.
1929 Jan.	5.136	5.840	6.590	5.71	6.53	6.33	6.200	5.700
1930 "	5.043	6.073	6.475	6.40	8.15	7.75	6.000	5.280
1931 "	5.527	6.128	6.780	7.54	7.50	7.51	6.438	6.000
1932 "	5.995	6.075	6.785	7.20	5.78	6.08	7.070	6.200
1933 "	4.921	5.604	6.344	5.88	4.26	4.60	5.700	3.788
1934 "	4.559	5.055	5.592	5.75	5.01	5.17	6.500	4.500
1935 "	4.607	4.876	5.236	5.37	5.36	5.36	4,500	3.016
1936 "	4.323	4.500	4.720	5.34	5.72	5.64	4.500	4.300
1937 "	3.913	4.208	4.382	5.25	5.44	5.40	4.300	4.200
1938 "	3.886	4.260	4.384	5.22	5.45	5.40	4.300	3.662
" June	3.855	4.244	4.366	5.16	5.78	5.66	4.300	3.657
1939 Jan.	3.824	4.203	4.339	5.26	5.94	5.81	4.315	3.868
" June	3.816	4.197	4.339	5.04	5.65	5.53	4.300	4.150

Table 14. Value Indices of Shares in Japan

(Compiled by the Tokyo Stock Exchange)

	General Index									
	Value index	Volume index	Public utilities	Finance & insurance	Mining	Textile	Manufacturing	Commerce	Shipping & transportation	Exchange
1921 Jan.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1933 Dec.	116.6	86.6	91.4	155.6	154.3	79.2	71.1	37.1	47.7	146.8
1934 "	119.3	64.3	118.4	168.5	139.2	75.3	74.2	37.3	54.5	115.7
1935 "	127.2	55.4	156.9	173.9	122.5	72.6	74.3	38.9	59.1	130.6
1936 "	134.9	54.3	153.5	171.8	138.1	82.6	85.1	29.6	76.0	108.1
1937 "	159.0	79.6	152.9	176.3	167.1	94.5	105.3	29.2	91.0	133.5
1938 June	149.3	64.8	160.1	173.4	155.1	76.8	112.6	31.0	93.6	112.3
" Sept.	147.3	44.2	165.2	175.2	153.8	73.1	109.5	28.6	96.9	111.9
" Dec.	134.9	49.6	164.2	174.4	138.3	69.1	100.2	28.6	96.5	94.6
1939 June	150.8	58.0	187.7	181.9	146.2	76.0	112.0	52.1	115.7	92.1
" Sept.	174.7	127.9	195.3	186.8	163.1	92.5	127.9	54.4	136.3	121.4

Table 15. Japan's Position in Market Value Indices of Industrial Shares

(1929—100)

	Japan (Mitsubishi 50 shares)	U. K. (London Cambridge 92 shares)	U. S. A. (Standard Statistics 351 shares)	Germany (Government 213 shares)
1929....	100.0	100.0	100.0	100.0
1930....	65.9	80.6	74.2	80.1
1931....	62.2	62.6	45.9	60.5
1932....	79.3	60.4	24.4	40.3
1933....	115.9	74.1	35.0	51.7
1934....	132.9	89.9	42.9	61.8
1935....	122.0	100.7	48.0	69.6
1936....	131.7	115.7	67.3	77.8
1937....	147.6	108.3	69.0	87.3
1938....	132.9	88.4	52.6	84.8
1937 July	157.3	107.9	74.6	89.5
1938 "	126.8	89.9	56.0	83.9
1939 "	....	82.7	53.6	...

Table 16. Index Number of Wholesale Prices by Countries

(1929—100)

	Japan								
	General Goods	Export Goods	Import Goods	U. K.	U. S. A.	Germany	France	Italy	Canada
1930............	82.4	84.1	87.3	84.0	90.7	90.8	88.4	69.3	90.6
1931............	69.6	69.9	73.2	70.2	76.6	80.8	80.0	78.1	75.4
1932............	73.3	77.1	85.8	67.7	68.0	70.3	68.2	73.0	69.8
1933............	81.6	92.4	106.5	68.2	69.3	68.0	63.6	66.5	70.2
1934............	80.8	92.8	107.5	71.0	78.7	71.7	60.0	65.0	74.9
1935............	84.4	93.7	107.8	74.1	83.9	74.2	54.0	71.5	75.4
1936............	89.9	97.3	114.5	78.6	84.8	75.9	65.5	80.1	78.0
1937............	108.4	111.8	151.8	89.3	90.6	77.2	92.7	93.6	88.4
1938............	114.3	120.9	163.9	77.8	82.5	77.1	104.1	100.3	82.2
1937 June	108.4	113.9	149.1	91.2	91.5	77.3	88.8	93.9	88.5
1938 "	115.7	127.7	172.7	77.9	82.1	77.0	105.3	100.8	83.8
1939 "	122.6	139.6	158.4	75.5	79.3	77.8	108.1	101.0	76.7

References:

Table Nos.: 1-2 a, 3-8 b, 9 a, 10-11 b, 12 a, 13 c, 14 d, 15-16 e.

Key:
a—S. M. R. Co.
b—Central Bank of Manchou.
c—Hypothec Bank of Japan.
d—Tokyo Stock Exchange.
e—League of Nations.

CHAPTER XVIII

FORESTRY

Distribution of Forest Zones

The forest zones of Manchoukuo principally lie in the northern and eastern sections, namely, in Kirin, Sankiang, Pinkiang, Chientao and Fengtien Provinces, and in some parts of Heiho, Lungkiang and Hsingan Provinces. According to the natural features of the land and artificial divisional environments, these forests zones are divided into ten forest districts, viz.—(1) The Yalu Valley forests, (2) the Tumenkiang Valley forests, (3) the Sungari Valley forests, (4) the Mutankiang forests, (5) the Lalin River Valley, (6) the Sanhsing forests, (7) the forest zone along the Harbin-Suifenho line (8) the Great Hsingan forests, (9) the forest zone along the western division of the North Manchuria Railway line, and (10) the Little Hsingan forests. Excepting the last named forests, these forest zones all occur in the former Kirin and Fengtien Provinces.

Before the foundation of Manchoukuo, little attention was paid to forests and fields. Forests were subjected to indiscriminate felling, and were left to the ravages of fires, with the result that only the natural forests in regions difficult of access remained, though these cover a very considerable area.

Since the establishment of Manchoukuo, the demand for timber has increased in a marked manner, involving no small import of foreign timber. The outbreak of the China Affair and the railway enterprise in North China on the one hand, and the increased production of pulp and extension of mining on the other heightened the demand for timber. To meet this situation, the Manchoukuo Government directed its efforts to the improvement of the forestry administration as well as of the traffic system, with a view to self-sufficiency in timber supply. In 1938, the production of timber was to have been 12,000,000 koku (one koku equals 10 cubic feet). The upward revision of the five year industrial programme included intensified production of timber as an important item.

The area covered by the standing trees is about 1.4 times the total area of Japan proper. It will be easy to supply timber to Japan from the eight provinces of Manchoukuo, namely, Antung, Fengtien, Kirin, Chentao, Pinkiang, Sankiang, Tunghua, and Mutankiang; while the forest resources of Lungkiang, Heiho, Chinchow, Jehol and the four Hsingan provinces will naturally be assigned for the domestic market.

Forest Area

The total forest area of Manchuria in 1938 was estimated by the forest authorities of the Manchoukuo Government at 87,740,000 hectares. Of this area about one-third is covered with trees, while the rest consists of moorlands. The volume of standing trees is estimated at 3,719,096,000 cubic meters, representing 1,476,647,000 cubic meters of needle-leaf trees and 2,242,450,000 cubic meters of broad-leafed trees.

Table 1. The Wealth of Forest By Provinces

(1938)

Provinces:	Area (1,000 hectares) With Trees	Without Trees	Total	Volume of Standing Trees (1,000 cubic meters) Needle-leaf	Broad-leaf	Total
Kirin	997	3,613	4,610	121,640	70,732	192,372
Lungkiang	1,181	6,801	7,981	38,823	142,741	181,565
Heiho	4,681	4,184	8,865	297,294	514,609	811,903
Sankiang	2,603	4,675	7,277	187,146	255,389	442,535
Pinkiang	881	3,123	4,004	27,697	84,235	111,933
Mutankiang	1,238	2,792	4,031	21,922	81,649	163,571
Chientao	1,234	918	2,151	85,022	84,432	169,454
Antung	58	1,481	1,539	—	4,941	4,941
Fengtien	34	3,393	3,387	—	2,973	2,873
Tunghua	778	1,559	2,337	61,874	95,034	156,907
Chinchow	—	2,448	2,448	—	—	—
Jehol	62	6,589	6,651	1,671	3,984	5,655
4 Hsingan Provs.	8,197	24,261	32,458	573,557	901,831	1,475,388
Total	**21,943**	**65,797**	**87,740**	**1,476,647**	**2,242,450**	**3,719,096**

Timber Species

Viewed from the standpoint of dendrologists, certain forests of Manchoukuo belong to the same class at those of the northern part of the temperate zone. The principal, however, belong to the frigid zone, being more or less similar to the Hokkaido forests. Some three hundred species of trees are needle-leafed (coniferous) trees, and twenty-one broad-leafed (deciduous) varieties. Of the conifers, Korean pines (Pinus koraiensis) are distributed most extensively through the eastern and northwestern parts of the land. They live longer than any other trees and often grow to several feet in diameter reaching a height of more than a hundred feet. Next to the Korean pines, the species of larch (Larix Dahurica) grow straight and tall, challenging the supremacy of the Korean pines, in many places. Of the conifers, firs, spruce and silver firs are found in abundance. Among deciduous trees, there are several kinds of oak, elm, birch, maple, walnut, lime, willow, acacia and poplar. Forests of birch are peculiar to North Manchuria and are found intermingled with other forest growth. Birch forests are found along the North Manchuria Railway lines and over the Hsingan Ranges.

(1) **Yalu District.**—Yalu timber consists of those descriptions which are supplied by the forests in the valley of the Yalu and in the upper course of its branch stream, or the Hunkian and sent to Antung through these rivers. They represent chiefly needle-leafed trees such as pines, cedars, etc. and supplied in 1938 a total of 682,698 koku (1 Manchoukuo koku equals 0.369 cubic meter) of timber.

(2) **Kirin District.**—Kirin timber represents timber that is produced in the upper course of the Sungari and sent to Kirin by water. They are of the same species as Yalu timber. Output in 1938 was 1,372,676 koku.

(3) **Chietnao District.**—The Chientao timber is produced in the valleys of the Tumen and its branches and of the Hunchun. It accounted for 238,792 koku of timber in 1938.

(4) **North Manchurian District.**—This comprises timber produced in the mountain ranges of Yaoyeh, Hsiaopai, Changkwangtsai, Mutanling and Harbin and sent to various points on the Pinsui Line. The production of this group amounted to 4,585,714 koku in 1938. Needle-leafed trees also occupy the greater part of the output.

SUPPLY AND DEMAND OF TIMBER

Production.—The annual production of timber was 3,800,000 to 3,900,000 koku in the few years preceding the foundation of the Empire. The production decreased considerably in the first two years of the new regime for various reasons. With the growing improvement of various systems and institutions, timber output began to recover from 1934 and registered 6,889,871 koku in 1938.

Consumption.—The average consumption of timber in the five years preceding the founding of the Empire is put at roughly 3,400,000 koku. At the time of the opening of the country timber consumption decreased by over 1,000,000 koku due to the stagnation of various undertakings. With the development of construction works, however, the consumption soon began to increase swiftly reaching 5,000,000 koku in 1932, 6,200,000 koku in 1934 and 6,309,000 koku in 1936. In the past the use of timber had been confined chiefly to construction materials in general, sleepers, spikes, fuel, etc. In view, however, of the recent growth of the forest products industries, especially the manufacture of pulp, it is generally observed that timber consumption in Manchoukuo will greatly increase in the future.

Export and Import of Timber.—In the few years preceding the Manchurian Incident the foreign trade of Manchuria in timber yearly amounted to 850,000 to 1,400,000 koku in exports and to 500,000 to 850,000 koku in imports, resulting in an export excess of 100–900,000 koku. Directly after the incident the trade considerably shrivelled. Soon after the establishment of the new Empire, however, the demand for timber increased in marked manner due to the growth of various construction works, so much so that even the expansion in timber production as stated above proved woefully insufficent with the result that the country turned from a timber exporter to an importer. Timber imports from Japan proper, Korea and other places sharply increased in 1933 and 1934. Total timber imports in 1938 were valued at ¥23,967,000, of which ¥20,729,000 was accounted for by Japan.

Exports of timber consist chiefly of the Yalu description, the major part going to Korea and a small portion to North China. A modest quantity of superior grades of Chientao and North Manchurian products is also sent to Japan and China.

Table 2. Demand and Supply of Timber

(Unit: in Japanese Koku: One Koku=10 cubic ft.)

	Output	Export	Import	Consumption	Index
1927–31*	3,841,396	1,097,604	701,480	3,445,236	100
1932	2,687,377	675,000	442,000	2,454,377	71
1933	3,000,418	410,156	1,332,303	3,922,565	114
1934	4,032,526	554,234	1,567,236	9,045,528	146
1935	5,509,987	743,764	1,088,655	5,854,878	170
1936	5,516,002	623,493	933,559	5,826,068	169
1937	7,525,617	564,304	1,105,651	8,066,964	234

Note: * Average.

Timber Output by Localities

Notable in recent years is the growing importance of North Manchuria as a producer of timber. While in 1932 North Manchuria accounted for only 23% of the total timber output of the country her share has been rapidly advancing, that for 1938 being 67%. The position of the Yalu river valley as a timber producer has shown a marked decline. In 1932 it produced 40% of the total timber output of the country, but by 1938 its share was down to 10%.

Table 3. Forestry Output By Districts and Kinds (1938)

(Unit in 1,000 new Manchoukuo "Koku"; one "Koku" 0.369 cubic m.)

District:	General Lumber	Telegraph Poles	Special Lumber			Grand Total	Others (1,000 piculs)	
			Spikes	Sleepers	Total incl. logs		Firewood	Charcoal
Yalu District	377	17.2	147	91	316	693	81.5	605
Kirin "	988	4.4	82	238	385	1,373	55.8	191
Chientao "	185	3.2	8	20	54	239	37.8	114
North Manchuria District.	2,782	220.0	220	914	1,804	4,586	177.4	628
Eastern Section	910	22.1	40	99	316	1,226	34.8	86
Northern "	545	20.7	—	19	90	635	31.6	138
Hsingan "	283	175.4	105	646	962	1,246	20.2	87
Sungari "	1,043	1.8	75	150	436	1,479	90.8	316
Total	4,331	244.8	467	1,264	2,559	6,890	352.5	1,538

Investment in Forestry Industry.—Total investments in the forestry industry as at the end of 1938 stood at ¥25,196,500. Manchoukuoan enterprises accounted for ¥24,751,500 of the total.

The member companies of the Association of Manchuria Lumber Producers' Guild, which accounts for a large portion of timber output in the country, felled 23,746,000 cubic shaku of timber valued at ¥30,596,000 in 1937. The Guild in 1937 consisted of 248 member companies with an aggregate capitalization of ¥17,185,000. They owned 921 lumbering machines and employed 6,274 workers. The daily lumbering capacity of the member companies was given as 146,960 cubic shaku.

Table 4. Outline of Lumber Producers' Guilds in Manchoukuo (End of 1937)

(Member Companies of Association of Manchuria Lumber Producers' Guilds)

	Member cos.	No. o mills	Capital (¥1,000)	Lumbering machines	No. of workers	Lumbering capacity per day (Cub. ft.)	Output in 1937	
							Volume (1,000 Cub. ft.)	Value (¥1,000)
Harbin	34	4	2,000	80	839	19,800	3,200	4,300
Tunhua	25	3	712	40	246	7,900	810	1,025
Tumen	18	4	3,040	60	281	8,100	1,212	1,429
Fushun	2	2	100	11	54	1,810	315	4,725
Anshan	4	..	...	...	...	...	...	...
Antung	23	1	1,000	229	1,241	30,000	4,800	5,182
Kirin	68	7	2,790	133	939	19,300	4,367	5,885
Hsinking	25	10	1,515	145	939	24,000	4,814	6,643
Mutankiang	20	4	1,155	120	1,036	22,460	2,473	3,032
Lungtsing	16	2	600	39	415	4,790	5	8
Fengtien	13	5	4,274	64	284	8,800	1,750	2,620
Total	248	42	17,185	921	6,274	146,960	23,746	30,596

Table 5. Forestry Offices in Manchoukuo (Oct., 1937)

	Locality	
Chaoyangchen	Fengtien	Province
Antung	Antung	"
Tunghua	Tunghwa	"
Fusung	"	"
Tumen	Chientao	"
Hunchun	"	"
Yenki	"	"
Tunhua	Kirin	"
Huatien	"	"
Kirin	"	"
Wuchang	Pinkiang	"
Harbin	"	"
Suipei	"	"
Mutankiang	Mutankiang	"
Muling	"	"
Poli	Sankiang	"
Fulinkou	"	"
Fangcheng	"	"
Tangyuan	"	"
Chiamussu	"	"
Tungho	"	"
Pehanchen	Lungkiang	
Heiho	"	"
Nunkiang	"	"
Peketu	Hsingan	"
Sanho	"	"
Hailar	"	"
Halunaerhshan	"	"
Chengteh	Jehol	"

Pulp Industry

In view of the heavy demand for pulp for paper manufacturing as well as for rayon and other products, the government has been encouraging the pulp industry. There were in 1937 five large pulp compaines with an aggregate nominal capitatl of ¥50,000,000 and with an annual production capacity of 72,000 metric tons. These companies were affiliated with the Japanese interests of Oji, Terada, Kawanishi and Ohkawa. The Government is reported to have alloted to each company an annual production quota of 10,000 metric tons in 1938 and 15,000 metric tons in the succeeding years.

There are many kinds of timber used for the manufacture of pulp, but by far the most extensively used are acerose trees, chiefly ezomatsu (Picea ajanensis) and todomatsu (Abies sachalinensis). In Manchuria the Chinese cypress and white firs (Abies firma) are especially used.

The Department of Industry of the Manchoukuo Government in 1935 estimated the volume of acerose trees at 5,300 million koku (1 koku equalling 120 board feet) and that of latifoliate trees at 8,000 million koku. Taking these figures as the basis for computation, it is deduced, in considering the Government's forestry preservation policy, that about 140 million koku (in weight 3.5 koku is equal to 1 metric ton) of pulp material can be obtained from the total amount of ezomatsu and todomatsu in the country, estimated at 570 million koku. If 70 years is regarded as the generation period (the period which a tree requires to attain sufficient growth to be used as pulp material) it is estimated that annual production of pulp material from ezomatsu and todomatsu actually possible will be 2,050,000 koku. Even if 60 years is considered as the generation period, the possible amount would be only 2,390,000 koku or 670,000 tons. Thus in order to meet the shortage of over 420,000 tons in Japan, other trees besides the foregoing ezomatsu and todomatsu will have to be utilized for pulp manufacturing.

Besides wood pulp, reeds growing on the banks of the Liao, Yalu and Sungari rivers and in the Takushan district, Antung Province, have in recent times come to be used as raw material for the pulp industry. The pioneer in this field is the Kangte Reed Pulp Company in Yingkow, established by the Kanegafuchi Spinning Company of Japan in 1936. Excellent pulp is being manufactured from reeds by this company. A process of manufacturing staple fibre from soya bean stalks has also been discovered and is being employed by the Manchuria Bean Stalk Pulp Company, which was founded at Kaiyuan in September, 1937.

From the standpoint of management, the pulp industry in Manchuria is fairly inferior to that in Karafuto because the high cost of wood, the poor quality of materials and transportation inconveniences make it considerably difficult to place the Manchuria industry on a paying basis. Moreover, such factors as electric power, water utilization, transportation facilities and chemical materials are by no means favourable to the industry.

Table 6. Pulp Companies in Manchoukuo and Kwantung (End of May, 1938)

	Nominal Capital (¥1,000)	Capacity per year (M. tons)	Affiliation	Factories
Yalu Seishi Pulp Co.	5,000	12,000	Oji Interest	Antung
Manchuria Pulp Co.	10,000	15,000	Terada "	Hualin
Nichi-Man Pulp Co.	10,000	15,000	Oji "	Tunhua
Toyo Pulp Co.	10,000	15,000	Kawanishi "	Tungchingcheng
East Manchuria Rayon Pulp Co.	75,000	15,000	Ohkawa "	Kaishantun
Total	115,000	72,000		

Forests in Kwantung Province

On the establishment of the Government of Kwantung, the problem of reforestation was immediately taken up, and as an initial step, nursery farms were established at Port Arthur, Dairen and Chinchow with an aggregate area of 400 chobu or 1,000 acres, for the purpose of supplying saplings for the work undertaken by the Government. In order to encourage the general public in this useful undertaking, the Government rented forest land, free of charge, to those desirous of growing timber, supplying seeds and young trees gratis. Moreover, regulations have also been issued for the protection of forests. These measures have had the desired effect, and, with the increasing interest taken by the public in the matter of reforestation, many nursery farms owned by villagers have been established. The total area of forest and hills in Kwantung Province is as follows:—

Table 7. Area of Forests in Kwantung By Ownership

(Unit in Cho; 1 Cho=2.45 acre)

	Area of Forests			Area of Afforestation			
	Government	Private	Total	Government	Public	Private	Total
1932	78,613	15,523	94,136	301	760	952	2,014
1933	78,701	15,455	94,146	303	702	685	1,690
1934	78,138	15,744	93,883	276	493	724	1,494
1935	72,457	20,422	92,878	111	237	648	996
1936	66,535	23,899	90,434	49	241	429	718
1937	59,219	30,423	89,642	255	167	383	806
1937:							
Dairen	5,437	37	5,474	61	6	14	81
Port Arthur	25,945	6,969	32,914	105	10	26	141
Chinchow	13,442	7,201	20,643	80	47	69	205
Pulantien	9,394	11,863	21,257	—	91	225	317
Pitsuwo	5,001	4,354	9,355	—	13	48	62

References:

Table Nos.: 1-3 a, 4 b, 5 a, 6-7 c.
Key: a—Dept. of Ind., Manchoukuo.
b—Assn. of Manchuria Lumber Producers' Guilds,
c—Kwantung Bureau.

CHAPTER XIX

FISHERIES

GENERAL

Although the total area of Manchoukuo is more than 1,300,000 square kilometers, the coast line is only about 700 kilometers in length (excluding that of the Kwantung Leased Territory), and the coast is made up of small shallow bays, which readily freeze in winter, and the localities are not generally favourable for fishing. Only along the coast of the Kwantung Leased Territory has the fishing industry developed to some extent, for Dairen and other large consuming centers are near at hand and transport is easy. Recently not only have Japanese residents in the Leased Territory been engaged in fisheries, but also some fishing boats have come from Japan proper to the Liaotung coasts to give a stimulus to the improvement of the old-fashioned Chinese method of fishing.

In Manchoukuo there are several large rivers and lakes, and a large amount of fresh water fish are caught annually; particularly in North Manchuria, fresh water fishing holds an important economic position.

As for the catches of fish in Manchuria complete statistics are still lacking. It is computed that the catches of fresh water fish reach about ¥6,500,000 a year. In regard to salt water fish, however, the figures obtainable are not entirely groundless. From the former regime till June, 1934 there was a fishing bureau at Yingkow, which kept in touch with fishermen and yearly published statistics. In view of the fact, however, that whatever its formal function, this bureau was intended to impose taxes upon the fishermen and fish mongers, and that the authorities levied exhorbitant rates and were very rigorous in their enforcement, it may be presumed that many false notifications were filed with the bureau by fishermen and fish mongers. According to the returns published by that bureau, the annual average amount of catches of salt water fish in Manchoukuo is estimated at about half the value of catches of fresh water fish. The Kwantung Leased territory accounted for catches valued at ¥7,462,000 in 1937.

SALT WATER FISHERIES

Along the Coast of Pohai or Gulf of Pechili

The fishing district in the eastern coast lies for 266 kilometers extending from north of Fu-hsien, Kaiping to Yingkow, while that in the northern district lies for 533 kilometers extending from Panshan, Chin-hsien, Chinhsi, Hsingcheng to Suichung, and the species of fish found in the eastern coast are hair-tail, sea-cucumber, oyster, guchi, scomberemorus, prawn, crabs, etc., and those found in the western are prawn, shrimp, crab, hair-tail, seabream, clam, etc.

Along the Coast of Yellow Sea

Scarcity of fish and the freezing of the coast during the winter have prevented any notable development. Species of fish found there are prawn, pseudosaiena, guchi, lateolabrac, scomberemorus, shark, cod and hair-tail. The fishing district is about 104 kilometers, extending from Antung, Fengcheng to Chuangho. The waters of these seas are not suited for the habitation of fish as they are for the most part shallow and of low salinity, and freezes easily in winter. The sea-bottom is generally flat and covered with mud as though the plains of Manchoukuo had been submerged. On stormy days the seas are disturbed to their bottoms, turning the water yellowish. The annual catch in the Gulf of Pechihli does not exceed 1,000,000 yen, while the Yellow Sea at present yields less than 300,000 yen. The permanent fishermen are scarce. Generally they carry on fishing combined with farming.

Table 1. No. of Fishing Households and Population in Kwantung Province

Permanently Occupied

Year	Japanese No. of households	Japanese Population	Manchoukuoans No. of households	Manchoukuoans Population	Total No. of households	Total Population
1929	82	141	5,694	19,664	5,776	19,805
1930	89	328	5,648	14,583	5,737	14,911
1931	87	372	5,625	14,592	5,712	14,964
1932	95	419	5,299	12,108	5,394	12,527
1933	114	450	4,921	13,065	5,035	13,515
1934	110	449	4,891	12,942	5,001	13,391
1935	105	472	4,749	12,955	4,854	13,427
1936	106	523	4,541	12,604	4,647	13,127
1937	174	803	4,272	11,469	4,446	12,272

Partially Occupied

Year	Japanese No. of households	Japanese Population	Manchoukuoans No. of households	Manchoukuoans Population	Total No. of households	Total Population
1929	9	15	3,555	10,246	3,564	10,261
1930	27	38	3,795	9,375	3,822	9,413
1931	30	29	3,757	8,413	3,787	8,442
1932	24	24	2,963	5,715	2,987	5,739
1933	20	27	4,012	9,614	4,032	9,641
1934	20	22	3,901	9,925	3,921	9,947
1935	12	12	3,895	9,983	3,907	9,995
1936	23	23	4,151	10,426	4,174	10,449
1937	26	42	4,085	10,669	4,111	10,711

FRESH WATER FISHING

Manchuria is favored with numerous large rivers and lakes, which abound with as many as 135 kinds of fish, of which one half belong to the carp family, followed by those related to the salmon and trout families. Commercial fresh water fishing is conducted on a scale ten times greater than coastal fishing. Accompanying the establishment of public peace and the improvement and expansion of communication facilities, the industry is expected to show a far greater development than salt water fishing in the future.

Fish are taken in various ways ranging from such primitive methods as spearing and hook-and-line fishing, to large-scale fishing with huge nets. Fishing during the freezing season is pursued through ingenious methods, developed through long years of experience and experimentation.

Table 2. Fresh Water Catches

(Recent Yearly Average)

	Catches (1,000 kin)	Value (1,000 yen)
Nun-kiang	55,000	3,000
Sungari River	28,000	2,500
2nd Sungari River	2,530	1,000
Mutan-kiang	300	
Kingpo Lake	170	
Ussuri River	2,600	
Amur River		
Liao-ho	4,000	
Hsingkai Lake	50	
Water Course of Hulun Lake	1,750	
Total	94,400	6,500

Note: Kiang and ho means river.

The exports and imports of aquatic products of Manchoukuo for the last few years is appended:—

Table 3. Exports & Imports of Marine Products

Year	Import Quantity (Piculs)	Import Value (Hk. Tls.)	Export Quantity (Piculs)	Export Value (Hk. Tls.)	Excess of Import Quantity (Piculs)	Excess of Import Value (Hk. Tls.)	% Import	% Export
1928	497,105	4,501,101	105,763	720,208	391,342	3,780,893	86.2	13.8
1929	489,637	4,403,861	160,626	859,229	239,011	3,544,632	83.7	16.3
1930	375,284	4,415,827	107,413	725,010	267,871	3,690,817	85.9	14.1
1931	158,228	2,974,735	138,823	1,065,842	19,405	1,908,893	73.6	26.4
1932	324,297	7,394,836*	99,826	1,947,744*	224,471	5,447,092*	79.1	20.9
1933	460,411	8,169,789*	122,839	480,780*	337,572	7,689,009*	94.9	5.1
1934	401,315	8,237,951*	64,686	406,173*	336,629	7,831,778*	95.3	4.7
1935	381,259	8,552,935*	71,556	543,429*	309,703	8,009,506*	94.0	6.0
1936	......	12,004,674*	......	356,634*	......	11,648,040*	97.3	2.7
1937	......	20,584,738*	......	422,192*	......	20,162,546*	97.9	2.1
1938	......	17,136,000*	......	815,567*	......	16,321,000*	95.2	4.8

Note: * represent MY.

Kwantung Leased Territory.—This district has recently shown a great development in the fishing industry. As the fishing area is very large and large markets are close at hand, the situation is favourable for deep sea fishing. Available statistics are given below:—

Table 4. No. of Fishing Crafts in Kwantung Province

Year	Junks	Sampans	Japanese type	Foreign type	With engines	Transport boats	Total
1929	957	4,999	195	—	82	49	6,282
1930	1,093	4,791	161	1	115	68	6,229
1931	1,092	4,679	179	—	133	72	6,155
1932	965	4,839	142	—	150	64	6,160
1933	911	4,898	131	—	162	69	6,171
1934	875	4,931	115	—	167	59	6,147
1935	858	4,823	106	—	170	149	6,106
1936	854	4,719	115	—	176	113	5,977
1937	753	4,550	80	—	189	253	5,825

Table 5. Marine Catches in Kwantung Province

(Unit: Volume in 1,000 Kwan; 1 Kwan=3.75 kilograms; Value in ¥1,000)

Year	Sea-bream Vol.	Sea-bream Val.	Cod Vol.	Cod Val.	Hair-tail Vol.	Hair-tail Val.	Guchi Vol.	Guchi Val.	Scomberemorus Vol.	Scomberemorus Val.	Halibut Vol.	Halibut Val.
1932	797	183	2,622	734	917	350	2,445	748	386	357	1,595	440
1934	30	169	1,399	395	1,340	437	3,492	1,176	365	361	1,424	598
1935	62	229	1,329	381	1,223	395	3,379	1,292	375	358	1,938	755
1936	45	162	1,832	507	1,100	338	5,015	1,716	282	319	2,298	796
1937	30	141	1,916	461	1,378	480	5,259	2,110	174	260	2,104	797

Year	Lateolabrax Vol.	Lateolabrax Val.	Batoidei Vol.	Batoidei Val.	Lepidotrigla* Vol.	Lepidotrigla* Val.	Sea-Cucumber Vol.	Sea-Cucumber Val.	Prawn & Shrimps Vol.	Prawn & Shrimps Val.	Total incl. Others Value
1932	54	46	523	101	448	94	132	103	334	407	4,104
1934	53	63	755	124	342	118	115	115	404	662	5,016
1935	68	78	881	156	580	161	118	121	286	596	5,519
1936	68	75	1,079	165	625	148	133	139	260	538	5,783
1937	49	66	968	152	620	159	185	150	568	1,547	7,462

Note: * Includes gurnet.

Table 6. Amount and Value of Marine Manufactures in Kwantung Province

Year	Preserved and dried articles Quantity (Kwan)	Preserved and dried articles Value (Yen)	Finished articles Quantity (Kwan)	Finished articles Value (Yen)	Total Quantity (Kwan)	Total Value (Yen)
1929	1,657,245	1,141,895	99,351	192,343	1,774,596	1,334,238
1930	1,623,218	1,151,380	84,790	188,194	1,708,008	1,339,574
1931	1,562,667	911,492	86,783	189,839	1,649,450	1,101,331
1932	1,500,213	959,782	85,074	201,654	1,585,287	1,161,436
1933	1,588,508	965,482	85,907	214,942	1,674,415	1,180,424
1934	914,741	798,130	88,876	223,074	1,003,617	1,021,204
1935	1,056,159	667,429	87,224	210,010	1,143,383	877,439
1936	911,643	625,092	92,491	225,127	1,004,134	850,217
1937	891,573	576,581	50,172	114,912	941,745	691,493

SALT MANUFACTURE

The salt manufacturing industry of Manchoukuo dates back to 1862 when the first salt field was laid out at Erhtaokou, Kaipinghsien. After that those salt fields were gradually opened along the coast of South Manchuria and particularly of the Liaotung Peninsula, but owing to the maladministration and neglect by the Chinese and Russian authorities the industry languished.

The solar evaporation process which is employed in Manchuria is well suited to the climate and very moderate in cost in comparison with that used in Japan. Early perceiving the prospective contribution of the production of Manchurian salt to the salt policy of Japan, the authorities of the Kwantung Bureau have made utmost possible efforts for the encouragement and improvement of the industry. As a result, salt production in Kwantung Province has considerably increased. In other parts of Manchuria, however, the industry was seriously affected by exhorbitant taxes, representing many times production cost during the former regime. Since the Manchuria incident, the spirit of the Japan-Manchoukuo economic bloc has been emphasized in regard to salt manufacture as in the case of other industries. Thus, in conjunction with the Kwantung authorities, the Manchoukuo Government has given close attention to the salt industry.

Salt production in recent years is tabulated as follows:—

Table 7. Salt Production in Manchuria

	Manchoukuo		Kwantung		Total	
	Area (Cho)	Output (m. tons)	Area (Cho)	Output (m. tons)	Area (Cho)	Output (m. tons)
1934	8,295	168,268	7,080	249,367	15,375	418,135
1935	14,643	396,310	8,653	505,809	23,296	902,119
1936	14,678	372,711	9,024	413,084	23,702	785,385
1937	13,879	334,549	9,082	429,188	22,961	763,737
1938	....	222,613	9,082	424,342	....	646,955

Table 8. Demand and Supply of Salt
(Unit: M. tons)

(A) Manchoukuo

	Government Sale	Commercial Sale	Export of Industrial Salt	Others	Loss	Carried to following year	Total
1934	74,956	126,543	98,533	4,931	18,870	302,796	323,833
1935	85,210	120,280	75,280	3,578	17,471	396,609	302,497
1936	99,197	155,234	110,747	4,998	41,968	356,767	412,144
1937	273,372		115,000	....	—	235,214	388,372

(B) Kwantung

	Export						
	Japanese monopoly	Industrial use	Chosen	Karafuto	Consumption	Carried to following year	Total incl. others
1934	55,502	103,675	71,675	19,498	19,393	......	269,792
1935	48,512	129,993	35,351	23,542	23,692	326,563	261,997
1936	47,891	195,768	31,786	17,366	24,764	449,205	331,694
1937	47,016	380,666	56,978	26,999	47,136	250,879	561,963
1938	137,899	163,566	62,961	32,951	101,635	174,123	502,042

Organization of a Salt Co.—The Manchuria Salt Industry Company, a joint Japan-Manchoukuo enterprise, was organized on April 27, 1936. Under the supervision of the Department of Industry of Manchoukuo, the company is engaged exclusively in the production, sale and exportation of Manchurian salt.

According to the company's programme extending over eight years, 1,400 hectares of salt-fields will be developed in the first four year-period and 2,200 additional hectares in the latter four years.

With the completion of the eight year programme, 143,000 tons of salt will be produced by the company in the new fields in one year, and the other existing salt-fields will produce 123,000 tons annually, inclusive of 29,000 tons, which represent the increase after the existing fields have been improved in eight years. All the salt output amounting to 266,000 tons by 1944 will be shipped to Japan.

The Japanese interests investing in the company comprise: Oriental Development Co., South Manchuria Railway Co., Dai-Nippon Salt Industry Co., Tokuyama Soda Co., Asahi Glass Mfg. Co., Japan Soda and Bleaching Powder Manufacturers' Association.

References:

Table Nos.: 1 c, 2 a, 3 b, 4-6 c, 7-8 d.
Key: a—Dept. of Industry, Manchoukuo.
b—Dept. of Finance & Commerce.
c—Kwantung Bureau.
d—S. M. R. Co.

CHAPTER XX

MINING

Mining has been one of the most successful industries undertaken in Manchoukuo. The country's share in natural resources is considered to be extremely large and with proper operations it is believed that revenue from this industry can be multiplied several times from that obtaining at present. From investigations made heretofore it is reliably known that the country has a very large supply of coal, iron ore and oil shale. There are also strong indications that gold and magnesite deposits are vast. There are reasons to believe that the country is also rich in deposits of steatite, dolomite, quartzite, limestone, fire clay, silica, lead and marble but the extent of such deposits is still unknown. Authorities are united in the belief that Manchoukuo is favoured with rich resources of gold ore, especially along the upper reaches of the Amur River and in certain regions of the Sungari Nonni Yalu and Luho rivers.

Table 1. Mineral Resources
(1938)

	Metric tons
Coal	11,437,265,000
Iron Ore	1,513,790,000
Oil Shale	7,628,000,000
Magnesite	5,000,000,000
Fire Clay	100,000,000
Alumina Shale	25,318,000
Gold Ore (kgs.)	6,000,000

In contradistinction to the rich mineral resources of the country, the mining operations that are being carried on are still small in scale. A number of large projects have been formulated to exploit the resources on a larger scale, and since 1938 much headway has been witnessed consequent upon the delivery of foreign and Japanese mining machinery and appliances.

The output of minerals in recent years is tabulated as follows:

Table 2. Output of Principal Minerals

	Iron Ore (1,000 m. tons)	Sulphuric Iron Ore (m. tons)	Gold (Kg.)	Lead Ore (m. tons)	Copper Ore (m. tons)	Manganese Ore (m. tons)	Coal (1,000 m. tons)	Oil Shale (m. tons)
1926	1,117	2,756	1,674	2,823	495	245	7,855	...
1930	832	3,028	1,478	...	840	609	10,159	981
1934	1,105	7,770	464	269	...	653	10,433	2,106
1935	1,463	9,110	1,887	1,490	...	600	11,056	3,437
1936	1,934	5,748	3,657	16,713	...	355	11,646	3,648

	Magnesite (m. tons)	Soap-stone (m. tons)	Dolomite (m. tons)	Lime-stone (m. tons)	Asbestos (m. tons)	Fire-clay (m. tons)	Silica (m. tons)	Felspar (m. tons)
1926	20,000	34,906	83,336	270,333	63	37,781	19,724	667
1930	29,016	25,726	116,925	688,489	110	53,664	20,000	500
1934	78,752	75,360	166,758	655,647	119	137,471	154,930	3,979
1935	156,586	70,572	171,033	855,267	70	181,730	148,754	29,874
1936	336,853	82,878	283,908	1,262,154	69	164,380	43,877	14,106

Mining Policy

The exploitation of mineral resources is carried out in accordance with the following policy:

1. Coal mining will be controlled by the Government to secure rational exploitation, cheap supply of fuel, development of productive industries and increased exports.

2. Special corporations of a semi-official nature will be formed for the investigation, management and exploitation of such mines as are essential to military purpose or national defence.

3. The management of State-owned gold and alluvial gold mines will be entrusted to those special companies, while proper guidance and assistance will be given by the authorities to private gold or alluvial gold mines.

With the foregoing policies in view, the Government has been readjusting various mines and conducting survey regarding the economic value and other conditions of the mines. On the other hand, it has established the Manchuria

Petroleum Company, the Manchuria Colliery Company and the Manchuria Gold Mining Company to secure a rational management and development of the oil and other mineral industries. Conforming with the general policy of recognizing the validity of the mining concessions obtained under the old regime as well as of the mining applications filed up to the present since the founding of the new State, provided they do not conflict with existing laws and regulations, the Government is examining the old concessions permits and studying the actual conditions of the various mines as well as the payment of taxes by the mines.

Legal Minerals

On August 1, 1935 the Manchoukuo Government issued a new mining law and related laws and orders, which were put into force on September 1, 1935. The following 40 minerals are provided for by the laws as legal minerals:—

Gold ore, silver ore, *platinum ore, copper ore, *lead ore, *zinc ore, *tin ore, *iron ore, *antimony ore, *aluminum ore, *nickel ore, cobalt ore, *iron sulphide ore, chrome ore, *manganese ore, bismuth ore, *tungsten ore, *molybdenum ore, *quick silver ore, arsenic ore, *phosphorous ore, sulphur, *black lead, *coal, *petroleum, asphalt, oil shale, limestone, muscovite, *magnesite, fluor-spar, felspar, *fire-proof clay, barytes, *nitre, gypsum, silica, *steatite, *asbestos, mica.

Note: The minerals marked with the asterisk are not to be left to uncontrolled operations by private enterprise for the protection of natural resources or for natural defence.

The former mining regulations and the Japanese Mining Law divide mining privileges into prospecting and mining, but in reality the system of granting prospecting privileges does more harm than good to the development of the mining industry. In consideration of this fact, the new Mining Law limits mining privileges purely to mining. In order, however, to encourage prospecting and mining, the above law contains provisions reducing the mine-lot tax by 50 per cent for the period of three years after obtaining mining privileges.

In view of the vastness of the mineral reserves of the country it is the policy of the Government to welcome foreign investments in the mining industry. From this standpoint it is provided in the Mining Law that foreigners may also engage in mining if they obtain special permission from the Minister of Industry.

From the viewpoint of national defence and preservation of natural resources, the Law forbids unsystematized mining by private interests, stipulating that application for mining may be restricted by designating the districts or minerals concerned by Imperial Ordinance.

For the purpose of controlling exploitation of the important mineral resources, the Government has established Mining Inspectorates at Hsinking, Mukden, Tsitsihar and Jehol City as local administrative organs under direct control of the Department of Industry.

(For full text of Mining Law refer to Page 958, Japan-Manchoukuo Year Book, 1936 issue).

Special Mining Corporations

Since the various rights previously held by Japan in Manchuria were accorded full and effective protection by the Manchoukuo Government upon its inception, four major special mining corporations have been established under joint sponsorship of the Department of Industry and the South Manchuria Railway Company, with the latter furnishing the greater part of the capital. Through these concerns, a rational exploitation of the vast mineral resources of the country under State control is being accomplished. These are the Manchuria Gold Mining Company, the Manchuria Coal Mining Company, the Manchuria Petroleum Company and the Manchuria Mining Development Company, details of which are given elsewhere in this chapter.

The Geological Institute

The Geological Institute was established by the South Manchuria Railway Company in 1907 at Fushun and later transferred to Dairen. Among its noteworthy achievements may be mentioned the discovery of extensive iron deposits at Anshan and seven other places, the discovery of magnesium ores in the Kaiping and Haicheng districts, the discovery of the regions where potash felspars abound, and the investigation and the topographical survey of coal fields at various places. The Institute has become the chief medium of geological investigations and consequently the chief source of geological information in Manchuria.

COAL

Manchoukuo's most important mineral product is coal. The coal deposits of the country are estimated at 11,437,265,000 metric tons by the Research Bureau of the S.M.R.

The principal deposits classified by provinces are as follows:—

Table 3. Principal Coal Deposits by Regions

Manchuria Coal Mining Co. Management

Mine	Location	Kind of coal	Estimated Reserves (1,000 m. tons)
Fuchou	Fengtien Prov.	anthracite	20,000
Pataokou	" "	lignite	20,000
Fuhsin	Chinchou Prov.	bituminous	4,000,000
Mishan	Mutankiang Prov.	"	300,000
Chalainor	N. Hsingan Prov.	lignite	400,000
Holikang	Sankiang Prov.	bituminous	600,000
Hsian	Fengtien Prov.	"	600,000
Peipiao	Chinchou Prov.	"	300,000
Veimingshan	Fengtien Prov.	anthracite	4,500
Total incl. others			**6,938,000**

S.M.R. Management

Mine	Location	Kind of coal	Estimated Reserves (1,000 m. tons)
Fushun	Fengtien Prov.	bituminous	900,000
Chiaoho	Kirin Prov.	"	456,000
Yentai	Fengtien Prov.		40,000
Total incl. others			**1,417,700**
Grand Total incl. others			**8,766,700**

Prior to 1931, the annual production of coal in Manchuria averaged about 8,500,000 metric tons, more than 80 per cent of which represented the output of the Fushun coal mine operated by the South Manchuria Railway Company. And even this amount, which can by no means be regarded as very large, could not be consumed within Manchuria; some 3,000,000 tons had to be exported to Japan proper. It happened, therefore, that the necessity of prohibiting the importation of Fushun coal was seriously discussed during the period of depression in the Japanese coal industry, the period from 1931 to 1932. The state of things, however, has now undergone a radical change; with the progress in the economic development of Manchoukuo, the demand for coal began suddenly to increase. In 1934 the Manchuria Coal Mining Company with a capital of ¥80,000,000 was established with a view to taking positive steps for the development and increased production of coal fields throughout the whole of Manchoukuo. The output has increased by leaps and bounds until it reached in 1938 to the amount twice as large as that before the Incident, of which 50 per cent was Fushun coal. By the end of 1939 the plan for increase of production will be in full swing and an increase of several million tons is expected.

This increase, however, is counteracted by such factors as the growth of transportation facilities, rise of industries, and increase of population, resulting in the decreasing trend in the exportation to Japan proper. To overcome this difficulty coal interests are making endeavours for further increases.

Principal Coal Mines

The principal coal mines under operation at present are Fushun, Yentai, Penhsihu and Hsian in Fengtien Province; Fuhsin and Peipiao in Chinchow Province; Holikang in Sankiang Province, Mishan and Muleng in Mutankiang Province, and Chalainoerh in North Hsingan Province. Others of importance are Huoshihling, Chiaoho, Laotoukou, Niuhsintai, Fuchou and Pataokou. The majority of these coal mines is exploited by the South Manchuria Railway Company and the Manchuria Coal Mining Company, established in 1934. Chief among the former's are Fushun and Yentai, while the principal mines owned by the latter are Fuhsin, Hsian and Holikang.

The Fushun and the Yentai mines controlled and worked by the South Manchuria Railway are two of the richest mines in Manchuria. The coal from Fushun mines is rich in volatile matter and is thus used extensively for the production of gas. About forty-seven miles east of Mukden lies the Penhsihu coal mine on the Antung-Mukden line of the S.M.R.

Capital investment in the Fushun and Yentai mines amounted to 137,260,000 yen at the close of the fiscal year ending March 31, 1938. Fushun lies in the valley of the Hun River, a little over thirty miles east of Mukden. It runs east and west about 10 miles parallel with the river and from north to south 2½ miles, covering 23 square miles. The seam is interbedded in the tertiary stratum with a northerly dip of about 30 degrees, and with an average thickness of 130 feet, the thickest part being 430 feet.

Coal Output and Export

The output and export of coal are given below:

Table 4. Coal Output by Principal Mines

(Unit: 1,000 metric tons)

(a) By Manchuria Coal Mining Co.

	Fuchou	Potaokou	Veimingshan	Fuhsin	Mishan	Chalainor	Haokang	Hsian	Peipiao	Total incl. Others
1930	206	88	55	35	..	6	172	43	510	1,104
1931	222	50	11	35	..	20	301	85	656	1,380
1932	187	48	8	10	..	..	95	165	35	548
1933	194	63	..	16	..	74	288	315	60	1,010
1934	161	69	..	31	..	114	315	455	277	1,422
1935	143	87	..	57	17	53	328	679	305	1,669
1936	154	84	..	17	61	..	343	894	293	2,195

(b) By S. M. R. Co.

	Fushun	Yentai	Naitzushan	Laotoukou	Huoshihling	Penhsihu	Niusintai	Total incl. Others
1930	7,173	178	13	20	91	582	41	8,098
1931	7,355	177	100	10	90	468	36	7,236
1932	5,627	148	19	22	70	502	45	6,433
1933	6,945	161	1	36	84	612	62	7,901
1934	7,520	222	56	55	126	676	75	8,734
1935	8,733	275	146	75	148	744	82	10,214
1936	9,538	310	228	90	151	739	106	10,252

Table 5. Estimated Coal Demand Classified According to the 5-Year Plan

(In 1,000 Metric Tons)

	Heavy Industry	Railway	Others	Export	Bunker	Total
1937	2,067	2,200	6,622	3,900	900	15,686
1938	2,886	2,400	6,320	4,470	970	18,046
1939	3,236	2,600	7,840	6,090	1,070	20,836
1940	6,003	2,800	8,320	5,150	1,100	23,373
1941	8,335	3,000	8,810	5,650	1,150	26,945

Recent Situation

The consumption of coal appreciably rose in the year after the military outbreak of 1931 and continued to rise in the year following, the rate of increase being 20 per cent. for each of these years. In 1935 the figure exceeded the 8 million line, an increase of more than 35 per cent. In the same year the South Manchuria Railway Company accounted for a total output of 10,214,000 metric tons as against 1,669,000 tons of the Manchuria Coal Mining Co.

It was reported in 1939 by the Manchoukuo authorities that coal production in 1938 reached 87% of the amount prescribed for the year under the Five-Year Plan.

The Manchuria Coal Mining Company.—With the two fold object of effecting rational exploitation of coal mines and fundamental control of the coal mining industry of the country, the Manchuria Coal Mining Company was incorporated in May, 1934, with a capitalization of M¥516,000,000. Necessitated by the expansion of its enterprise resulting from the enforcement of its five-year plan of increased production, aiming at ten million tons annual output, the capitalization was raised to M¥80,000,000 in April, 1937.

Steady progress has been witnessed in the activities of the Company ever since its establishment. Besides undertaking large-scale development of the Hsinchiu, Pataokou, Fushou and Veimingshan colliers, which are under its direct management, the Company is directing its efforts towards further expansion of its sphere of control. As a step towards this realization, it has purchased the greater part of the shares of the Holikang, Hsian and Peipiao collieries.

Thorough surveys conducted recently have revealed that the estimated deposits of the Hsinchiu coal field, for the exploitation whereof special emphasis has been laid in the Company's five-year plan, reach 4,000 million tons. Coal mines operated or controlled by the Company, in addition to those above-mentioned, are located at Mishan, Chalainoerh, Hoshihling, Muleng and Fuhsin.

The Company plans to produce twenty million metric tons of coal annually after 1941, the year of the completion of the Five-Year Plan.

Estimated Coal Demand in 1941.—The estimated coal demand in 1941, if the so-called Five-Year Plan which was drawn up in 1937 is realized, will be approximately 27 million metric tons. Of this amount the heavy industries of Manchoukuo will consume 8,335,000 metric tons, the railways, 3,000,000 metric tons and other industries, 8,810,000 metric tons. A further supply of 5,650,000 metric tons will be exported while 1,150,000 metric tons will be allotted for shipping use. Under the revised 5-Year Plan of 1938 coal production will be expanded to 28 million metric tons in 1941, which will permit larger exports to be effected.

Iron Industry

The iron deposits of Manchuria, as far as they are known, are mainly distributed over the areas lying to the east and to the south of the city of Fengtien (Mukden). On the basis of proved deposits alone, it is estimated that the production of pig iron at the rate of 5,000,000 tons annually will last for at least one hundred years. Iron ore deposits in the major mines are tabulated as follows:

Table 6. Principal Iron Deposits by Regions

Region	Species		Deposits (1,000 m. tons)	Iron cotents
Anshan	Hemaetite	Rich	1,300	50–60%
	Magnetite	Rich	3,000	60–68%
Kungchuling	Hemaetite	Lean	377,000	40%
	Magnetite	Lean	456,400	35%
Penhsihu	Magnetite	Rich	3,000	60–68%
		Lean	227,000	33%
Waitoushan	Magnetite		150,000	above 30%

Table 7. Chemical Analysis of Manchurian Iron Ore

Mine		Iron	Alumina	Lime	Magnesite	Manganese	Sulphur	Phosphorite	Silicic acid
Miaoerhkow of Penhsihu	Rich	64.01	1.28	0.45	0.027	0.37	0.116	0.017	6.17
	Lean	33.63	0.37	0.38	0.08	...	0.030	0.059	50.93
Talitzukou	Lean	33.08	...	1.12	...	5.40	0.244	...	13.72
Yingta'oyuan (incl. Wangchiaputzu)	Rich	54.40	0.32	0.63	0.65	0.86	0.31	0.04	19.74

The ores found in Manchoukuo are generally hematite and contain from 34% to 70% of iron. The bulk of the deposits analyze between 35% to 40%. The main iron belts of Manchuria lie along the Mukden-Dairen and Mukden-Antung sections of the South Manchuria Railway system, centering around Anshan and Penhsihu. The Anshan district deposits are the most important. These spread in a semi-circle with a radius of 10 kilometers with Anshan as the center. There stands the largest iron works in Manchuria, the Showa Steel Works.

Table 8. Iron Ore Production in Manchoukuo

(In Metric Tons)

	Lean Ore	Rich Ore	Total
1917	3,585	99,561	103,146
1922	600	139,528	140,128
1927	457,300	173,304	630,604
1928	488,000	185,624	673,624
1929	529,490	251,768	781,258
1930	523,894	359,603	883,497
1931	673,380	250,879	924,259
1932	742,810	237,068	979,878
1933	770,381	328,032	1,098,413
1934	739,623	393,748	1,133,371
1935	985,480	492,460	1,477,940
1936	1,325,219	579,374	1,904,593
1937 (1st half)	....	....	1,029,065

Table 9. Production of Steel Materials By Kinds in Manchoukuo

(In Metric Tons)

	1935	1936
Steel Rods	12,346	67,287
Rails	8,397	38,228
Thin Steel Plates	4,704	29,141
Thick Steel Plates	——	498
Cast Steel	——	152
Total	25,447	135,306

Table 10. Pig Iron Production in Manchoukuo*

(In Metric Tons)

	Pig iron	Steel	Steel materials
1933 ……	433,523	….	….
1934 ……	475,826	….	….
1935 ……	607,948	136,817	25,447
1936 ……	633,393	344,424	135,306
1937:			
Jan. ….	55,863	33,970	36,409
Feb. ….	49,635	27,432	36,449
Mar. ….	52,383	33,610	41,479
Apr. ….	51,548	29,851	28,115
May ….	60,987	30,880	26,323
June ….	64,915	30,756	25,577
July ….	65,273	35,642	26,390
Aug. ….	69,089	36,886	27,065
Sept. ….	67,107	39,984	26,866
Oct. ….	74,374	49,684	35,516
Nov. ….	75,234	52,359	44,038
Dec. ….	75,730	25,490	15,439
Total ..	762,138	426,544	369,666

Note: * Represents production by Showa Steel Works and Penhsihu Iron & Colliery Co.

Table 11. Pig Iron Production in Manchoukuo Classified by Companies

(In Metric Tons)

	Showa Steel Works (Former Anshan Iron Works)	Penhsihu Iron & Colliery Company	Total
1925 …..	85,886	50,799	136,685
1926 …..	146,327	51,810	198,143
1927 …..	192,895	51,308	244,203
1928 …..	220,637	64,038	284,675
1929 …..	217,859	77,521	295,380
1930 …..	262,994	86,241	349,235
1931 …..	276,650	65,620	342,270
1932 …..	287,124	81,057	368,181
1933 …..	317,573	115,950	433,523
1934 …..	322,376	153,450	475,826
1935 …..	456,848	151,100	607,948
1936 …..	472,993	160,400	633,393
1937 …..	762,138		762,138

Showa Steel Works

More than 80 per cent of all the iron output in Manchuria is produced at the Showa Steel Works, at Anshan. Known formerly as the Anshan Foundry, it had been operated as a joint Sino-Japanese undertaking under the title of Chen Hsing Tieh Kung Ssu until 1916 when the South Manchuria Railway Company took it over and began to extend it at the cost of M¥38 million, the objectives being 1 million tons of pig iron and 800,000 tons of manufactured steel annually. Under the initial program work was commenced on the plant for an annual production of 150,000 tons, calling for 2 blast furnaces each of 300 tons capacity, coke ovens, railways, electricity, and water works. In 1919, however, the undertaking, all but completed had to be discontinued in consequence of the chaotic conditions developed in world economies and iron industry. The Anshan Foundry's revival did not take place until the successful development of the special process for dealing with ores of low grade. The main point of the new Anshan method is to transform the hematite into magnetite by roasting and turn it into brittle and easily crushable substance. From the material, iron is concentrated by magnetism.

The Foundry, thanks to the same process, produced in 1927 more than 200,000 metric tons of pig iron. Resuming the original plan, the 300 tons units were replaced by those of 350 tons, to which a furnace of 500 tons capacity was also added. In 1930 or the year immediately preceding the military outbreak the output of pig iron had been raised to 280,000 tons per year. In June, 1933, the Anshan Foundry was transferred from the South Manchuria Railway Company to the newly formed Showa Steel Works. In December, 1937 the Showa Steel Works was placed under the management of the newly established Manchuria Industrial Development Corporation.

For finishing operations the Showa Steel Works possessed two small bar mills, a black sheet mill, medium plate mill and rail mill. There has been installed, in addition, a dressing plant, coke plant, by-product plant, ceramic plant, repair shops and heat control plant. The products include, in addition to iron, blooms, hoop billets, sheet bars, rails and large shapes, small bars, wire rods and skelp, black steel sheets, galvanized steel sheets, and as by-products, road tar, pitch, creosote, naphthalene, benzol, ammonium sulphate.

Equipment in the black steel mill of the Showa plant was manufactured by the Krupp Grosonwerk, Germany, and rolling mills and other equipment for rails and other various forms of steel are likewise of German make.

First Extension Program.—This undertaking was commenced in April, 1933, and completed in March, 1935, when Manchuria saw the first steel produced on its soil. In order to finance the undertaking the Company had increased its capital from M¥25 million in 1933 to M¥90 million in 1937.

Second Extension Program.—The second program was launched towards the close of the year 1934 and completed in March, 1937. Under this program the production of pig iron has been increased from 440,000 to 650,000 metric tons per year by addition of a furnace, and the production of manufactured steel from 350,000 to 500,000 metric tons per year by addition of 2 hearths. The total cost of M¥26 million involved was met by bonded borrowing.

3rd & 4th Extension Programs.—The 3rd and 4th extension programs form part of the 5-year industrial plan of Manchoukuo. Through the 3rd extension developments the Showa Steel Works will attain the productive capacity of 1 million tons of pig iron and 800,000 tons of manufactured steel, the goal for which the Anshan Foundry was placed under the enterprise of the South Manchuria Railway Company in the year 1916.

5th & 6th Extension Programs.—The fifth and sixth extension programs of the Showa Steel Works, entailing a total expenditure of ¥622,240,000, whereby pig iron production would be increased by another 1,360,000 metric tons to bring the total productive capacity of the mills to 3,060,000 tons were outlined by the directors of the Showa Steel Works to executives of the South Manchuria Railway Company, early in 1939. The above two programs, running concurrently, should get under way some time in 1939 and are scheduled to be completed in 1942.

Besides boosting the pig iron output to 3,060,000 tons from the capacity of 750,000 tons obtaining in 1938, the new plans provide for increasing the production of luppe by 40,000 tons, in addition to the 200,000 ton output called for under the third and fourth stage programs. The portion of these programs concerning luppe was originally scheduled for completion in 1938, but has been carried over to 1939, owing to unavoidable delays. Upon consummation of the fifth and sixth stage programs in 1942 luppe output will be augmented to 240,000 tons.

The production of steel ingots by the end of 1942 would also be raised by 1,750,000 tons. This should bring total productions to 2,830,000 tons, inclusive of the productive capacity obtaining in 1938 of 580,000 tons, and the output of 500,000 tons provided under the third and fourth stage plans. Completion of that part of the plans relating to steel ingot production has also been delayed, though its consummation was scheduled for 1938. The Showa Steel Works was planning in 1939 to obtain the huge supply of coal necessary for carrying out the fifth and sixth stage plans from the Fushun, Penhsihu and Yentai collieries. In 1939 it hoped to obtain 3,297,000 tons; in 1940, 4,620,000 tons; in 1941, 6,196,000 tons, and in 1942, 6,420,000 tons. It is held doubtful, however, whether the productive capacity of these coal mines in Manchuria will be sufficient to furnish such enormous supplies of coal. It is believed that in the final analysis some of the needed supply will have to be obtained from the Kailan Mining Administration in North China.

For the year ending March 31, 1938 the Showa Steel Works produced 667,393 metric tons of pig iron. The output of steel billets was 515,347 metric tons, steel sheets 455,809 metric tons and steel materials 215,383 metric tons.

Industrial Position of Anshan.—The iron works at Anshan has been operated on an experimental basis for the most part. It was not until 1935 that the enterprise was able to declare a distribution of profit. When production is being extended by successive stages, almost regardless of the business side of the enterprise, the Company, under the increasing weight of capital investment, can hardly be expected to place itself on a well paying basis for years to come. However, it is noteworthy that the produce of the Showa Steel Works has since a couple of years ago given birth to a number of steel and machinery manufacturing enterprises at the town of Anshan. Mention may be made of Anshan Steel Products (capital M¥5 million), Sumitomo Metal Industry Co. (capital M¥10 million), Nichi-Man (Japan-Manchou) Steel Piping (capital M¥5 million), Kubota Iron Works, branch workshops of Kobe Steel Works, Manchou Galvanizing, etc.

Heavy Industry & Watercourses

The industrial town of Anshan is seriously handicapped for lack of facilities of water transportation. Industrial produce has to be transported to Dairen, 198 miles, or to Yingkow, 60 miles, equally by railway. The cost of transportation, for instance, of pig iron to Japan is as high as ¥7.50 per ton. In these circumstances, plans are on the tapis for constructing canals between Anshan and Yingkow as well as elsewhere. The matter of constructing watercourses as well as adjustment of the river Liaoho and its tributary Hunho are now regarded as conditions essential for the development of South Manchuria as an industrial zone. These undertakings naturally involve questions of embankment construction to prevent floods to which the country is mercilessly exposed and also those of harnessing water resources for industrial purposes.

The Manchuria Mining Development Company

In accordance with the provisions of Article 9 of the Mining Law which stipulates that "in case it is deemed necessary for national defence or preservation of national resources, application for mining may be restricted by designating the districts or minerals concerned by Imperial Ordinance," the Manchuria Mining Development Company was established by Imperial Ordinance No. 91, promulgated in April, 1935. The Ordinance provides that the above company will have exclusive rights to mine the following twenty-three minerals: platinum ore, lead ore, zinc ore, tin ore, iron ore, antimony ore, dolomite, nickel ore, iron sulphate ore, manganese ore, scheelite ore, molybdenum ore, mercury ore, phosphorous ore, coal, petroleum, oil shale, magnesite, fluorspar, fire clay, saltpetre, talc and asbestos.

However, any person who discovers mines containing any of the above deposits and wishes to exploit them, may do so upon applying for a lease of mining privileges and payment of royalty to the Manchuria Mining Development Company.

The Company's business include the acquisition and lease of mining privileges, refining ores, and investment and financing of refining enterprises. With the approval of the Minister of Industry, it is allowed to conduct other accessory enterprises. An expansion of the capitalization to M¥50,000,000 was under consideration in 1939. (For Iron & Steel Control Law, see page 805, Japan-Manchoukuo Year Book, 1939 issue.)

Table 12. Pig Iron Production Capacity in Manchoukuo

(In Metric Tons)

	Production Capacity in 1937	Expansion of Capacity	Estimated Capacity in 1941
Showa Steel Works	700,000	2,300,000	2,800,000
Penhsihu Iron and Colliery Co.	150,000	1,850,000	2,000,000
Total	850,000	4,150,000	4,800,000

Table 13. Production Expansion Plans of Showa Steel Works

(In 1,000 Metric Tons)

	Capacity in 1937	Production Expansion				Capacity in 1941
		1938	1939	1940	1941	
Pig Iron	700	1,000	—	550	550	2,800
Loops	—	—	80	120	300	500
Steel Billets	580	—	125	375	1,750	2,830
Steel Sheets	500	—	—	1,340	670	2,510
Strips	—	—	—	550	—	550
Special Steel	—	—	5	—	—	5
Steel Materials	305	—	215	430	400	1,350
Iron Ore:						
Rich Ore	400	900	—	—	—	1,300
Lean Ore	2,047	—	—	5,303	1,740	9,090

Pig Iron By-products.—In the course of making pig iron a large amount of by-products is obtained. The by-products obtained in producing pig iron in Manchuria in the past few years is appended:

Table 14. Principal By-Products in Pig Iron Manufacturing in Manchoukuo

(Metric Tons)

	Coke	Coke Powder	Sulphate of Ammonia	Tar	Benzol	Naphthaline	Creosote	Pitch	Ore Dregs Brick
1927	310,290	18,595	4,406	11,457	1,681	148	2,063	5,847	6,466
1932	408,057	48,682	6,724	18,050	2,962	642	2,792	7,869	5,942
1933	458,664	54,588	6,362	22,346	2,831	557	3,000	8,377	24,747
1984	577,979	43,331	7,525	22,826	4,879	686	3,526	9,156	39,650
1935	654,038	78,433	9,791	30,039	4,405	835	6,667	15,238	47,571
1936	735,787	117,447	11,779	39,919	6,550	1,420	7,827	18,119	50,433

Recent Situation

Much progress was made in iron and steel production in 1938, in accordance with the Five Year Plan which commenced in 1937. The production of pig iron rose 17%, steel semi-manufactures 50% and steel ingots 18% above the figures for the year 1937. These figures represented respectively 99%, 113%, and 95% of the amounts that had been fixed for 1938 or the second year of the programme. The installation of productive equipment in general has also progressed more rapidly than was expected. The final objectives of 4.6 million metric tons of pig iron, 2 million tons of steel bars, 2 million tons of semi-manufactured steel products and 4 million tons of ingots in the last of the five years, ought to be achieved without much difficulty if progress continues to be as good as it was in 1938.

GOLD

Beds of gold ore, like coal, are distributed almost all over Manchuria. The Mo River, the Humaerh River, the valley of the Sungari River and the upper reaches of the Nonni River since olden times have been known as the producing districts of alluvial gold. Fengtien, Jehol, Antung, Tunghua, East Hsingan and North Hsingan provinces are also important gold-producing districts. The amount of these resources is estimated at 7,000 million yuan in alluvial gold and 6 million kilograms of gold ore.

Table 15. Gold Output in Manchoukuo

	Production (in Gram)	Value (¥)
1931	111,493	312,180
1932	240,017	672,047
1933	66,437	186,014
1934	463,639	1,308,189
1935	1,886,895	5,283,306
1936	3,570,884	10,024,136

There were eighty-nine gold mines operated in 1938 on a commercial scale and the largest number are in Heiho Province, followed by Fengtien and Chientao provinces. A total of 20,000 miners were in the employ of the mines which turned out 3,977 kilograms of gold during 1936. About 90 per cent of this production was accounted for by the alluvial gold yielded in Heiho, Chiamussu, Hunchun and Yenki through the activities of the Manchuria Gold Mining Company.

Hitherto, the gold resources widely distributed in Manchuria have been left unexploited as the result of neglect on part of the old regime and the lack of funds and technique except in North Manchuria where Russians were already engaged in gold mining. The high price of gold at present and the maintenance of peace and order in the country, however, have stimulated gold-producing activity and new plans for gold production are appearing one after another. The Government, in conformity with the requirements of the current situation, has created a national gold refinery in Mukden and is taking various measures to encourage production. It is expected that gold mining, even with comparatively small funds, will become possible in the future and the exploitation of gold ore will rank with alluvial mining before long.

The popular enterprises in gold mining remain as yet a future problem largely as it concerns the gold mines which are still under investigation and quite undeveloped. The Manchoukuo Government took a first step in this direction in 1937 by opening the Government Gold Ore Refinery in Mukden, and the hopeful development of gold mines in the eastern section of the country and Jehol Province is expected in the near future. Most promising seems to be the Laipikou gold mine which the Tatung Development Company, a Japan-Manchoukuo joint corporation with an authorized capital of M¥3,000,000, is planning to develop. As a result of a thorough investigation made by a party of 40 headed by Professor Kadokura of Tokyo Imperial University over a period of 3 months from July, 1934, it was discovered that this mine is 12,000 feet long and averages 7 feet in thickness and one metric ton of ore contains an average of 40–62 grammes of gold. The Company has decided upon its large scale development and in 1937 some 150 experts, engineers and technicians had started the work.

Table 16. Five-Year Gold Mining Plan (1937–1941) Compared with Actual Production in 1936

(Unit: ¥1,000)

	Heiho districts	Chiamussu district	Hunchun district	Chientao Prov.	Total	Index No.
1936	4,078	5,402	544	....	10,024	100
1937	6,646	6,841	1,500	....	14,805	148

(Continued)	Heiho districts	Chiamussu district	Hunchun district	Chientao Prov.	Total	Index No.
1938	9,351	10,494	2,332	....	22,177	221
1939	15,392	15,825	3,498	1,800	36,515	364
1940	21,829	25,135	5,247	3,600	55,811	557
1941	42,429	37,001	5,400	5,400	82,701	825

The Manchuria Gold Mining Company

This company was established in May, 1934, following the discovery of prospective gold fields in North Manchuria as a result of extensive surveys conducted for over a year since January, 1933. The corporation, with its head office in Hsinking, has a monopoly of gold mining in the former provinces of Kirin and Heilungkiang.

Its functions include the advancing of funds to concerns engaged in gold mining and refining, the assumption of the management of gold mining enterprises conducted by others, the entrusting of the management of some of its own enterprises to others, and the sale and purchase of alluvial and refined gold. With the approval of the Minister of Industry, the Company is also permitted to participate in other accessory undertakings.

The participation of the general public interested in the exploitation of gold deposits within its allotted sphere of operations is welcomed by the Manchuria Gold Mining Company in view of the difficulty of effecting satisfactory operations in such a wide area by itself. An announcement to that effect was issued by the Company jointly with the Manchoukuo Government on the occasion of the enforcement of the new Mining Law.

The Company placed an order for the construction of 20 gold dredgers in Japan in order to provide for a large-scale exploitation of North Manchuria placer gold deposits in 1938. Four dredgers were to be built by the end of 1939. Two dredgers previously ordered have been completed.

Table 17. Gold Mining Companies in Manchuria

Name	Capital (M¥)
Manchuria Gold Mining Co.	12,000,000
North Manchuria Gold Mining Co.	2,000,000
Hailar Gold Mining Co.	3,000,000
Tatung Industry Co.	4,000,000
Yenho Gold Mining Co.	600,000
Jehol Mining Industry Co.	300,000
Daiman Gold Mining Co.	50,000
Jehol Mining Co.	600,000
Manchuria Mining Industry Co.	2,500,000
Daito Shokusan Co.	3,000.000
Total	28,050,000

Note: All of the gold mining companies in Manchoukuo are under control of the Manchuria Gold Mining Co.

Law Governing the Manchuria Gold Mining Company, Ltd.—May 14, 1934 (1st Year of Kangtê). For text refer to page 863, Japan-Manchoukuo Year Book, 1935 issue.

Silver

Silver is found embedded in gold-silver bearing quartz veins and is also contained in copper, lead and zinc ores. Galena generally contains a large quantity of silver, and this ore produced in Jehol and Kirin provinces is known as silver ore. Silver is mainly produced in Jehol Province at Yapatien (silver and lead), Lunghua-hsien, Chichaokou (silver and lead), Lanping-hsien, Yentungshan and other places in Pingchuan-hsien; in Chinchow Province at Yangchiachengtzu (silver, lead and zinc), Chinhsi-hsien; in Antung Province at Hsiaomiaokou (silver and lead), Tunghua-hsien, in the Hsingan provinces at Puleiyehho (silver and lead), Paowei-hsien, and Belaya (silver and lead), Sanho (Three Rivers) District; and in Fengtien Province (silver and lead).

Silver production amounted to 76,603 grams in 1934, to 108,882 grams in 1935, to 167,364 grams in 1936 and 172,881 grams in 1937.

Silica.—The silica found in the neighbourhood of Dairen and Port Arthur is used as fireproof materials and brick making materials. The production of silica in Mancohukuo is estimated at about 250,000 metric tons annually.

Soapstone.—This ore is produced in the neighbourhood of Tashichiao and Haicheng. The annual production, which was 25,726 metric tons in 1930 increased to 82,878 metric tons in 1936. Greater part of the product is shipped to Japan proper where it supplies almost the entire demand, it being used for spinning, paper-making and toilet-making purposes.

Table 19. Soapstone Production

	Production (Metric Tons)	Shipment to Japan Proper: From Yingkow	Shipment to Japan Proper: From Dairen
1930	25,726	29,036	7,513
1931	42,890	33,654	7,638
1932	44,316	27,669	6,132
1933	62,430	35,241	12,330
1934	75,410	54,463	
1935	70,572	64,288	
1936	79,250	83,092	
1937	....	111,104	

Aluminium. — The plan for manufacturing aluminium from alumina shale, after a period of experimental manufacture at the Fushun laboratory, at length assumed the form of the Manchou Light Metal Manufacturing Company in November, 1936, capitalized at ¥25,000,000. The plant built through extension of the experimental establishment at Fushun was put in operation in 1938, with an output capacity of 4,000 metric tons per year. As Manchoukuo is situated geographically close to Hopeh and Shantung provinces of China where alumina shale of superior quality is in abundance, it has the advantage of producing a large quantity of metallic aluminium at a very low cost, if proper measures are taken for its utilization.

Table 20. Alumina Shale Reserves

	Quantity (M. tons)	Grade (%)
Yentai	1,034,000	45 – 41.3
Penhsihu	3,202,000	40 – 47.3
Niusintai	9,382,000	46.4 – 52.5
Shaoshin	5,930,000	45.3 – 55
Others	5,770,900	37.2 – 55
Total	25,318,900	

Magnesite

Abundant deposits of magnesite, believed to be the largest in the world, are found in the district northeast of Tashichiao Station, on the S.M.R. main line. The surface deposits of the region alone amount to 2,000 million metric tons. If those below the surface are included, the total deposits are estimated at 5,000 million metric tons. In quality, the Tashichiao ore compares with the best in the world, and is exported to various countries.

Manganese is mainly found at Niuhsinshan, Paihsushan, Kuanmashan, Hsiaoshengshuissu, Chingshanpei, Hsiaochuangtun, Pingerhfang, and Kaolicheng. In addition, a large stratum 35 kilometers long, runs to the east of Tashichiao. There are at present a total of 40 mine-lots, of which 18 are actually being worked. Magnesite is mined by the South Manchuria Mining Company and several other concerns. The former company's production amounted to 95,444 metric tons in 1935, which increased to 156,787 tons in 1936, to 246,183 tons in 1937 and to 401,200 tons in 1938.

Magnesite has hitherto been used for making firebrick and lignoid, but in recent years much importance has come to be attached to this mineral as raw material manufacture of metallic magnesium and magnesium sulphate. The demand for magnesite is rapidly increasing parallel with the expansion of the aircraft, automobile and pulp industries.

Table 21. Statistics of Principal Magnesite Regions

Region	Deposit (1,000 m. tons)	Analysis (%): Magnesite	Silicic acid	Oxidized iron	Alumina	Lime	Heat loss
Chingshanpei	40,000	46.78	0.67	1.01	0.11	0.12	51.39
Hsiao Shengshuissu	200,000	46.31	0.83	0.76	0.15	0.25	51.20
Kuanmashan	93,200	46.36	1.23	0.46	0.41	0.42	50.74
Paihushan	24,652	45.64	1.99	1.44	0.60	0.25	50.02
Niusintai	1,590	45.72	1.04	1.34	0.63	0.67	51.20
Shengshuissu	70,000	45.06	2.23	0.78	0.78	0.66	50.71
Pingerhfang	150,000	48.03	3.63	0.60	0.36	0.87	49.20

Table 22. Chemical Analysis of Machurian Dolomite (%)

Region	Silicic acid	Oxidized iron	Alumina	Lime	Magnesite	Heat loss
Dairen	1.35	0.49	...	31.01	20.33	46.55
Yingchengtzu	1.15	0.58	0.94	31.70	17.05	...
Haimaotao	0.40	0.48	0.36	30.24	21.23	47.00
Kuanmashan	0.27	0.65	0.02	30.23	21.26	47.57
Niusintai	0.56	0.72	0.20	30.12	21.85	46.55
Taling	0.88	1.06	0.04	18.20	30.63	49.14

Table 23. Lead, Zinc and Copper Reserves

Region	Reserves (1,000 metric tons)					
Chingchengtzu	300	Rich ore	70%	Silver	0.2	
		Medium ore	50%	Silver	0.1	
		Lean ore	20%	Silver	0.4	
Yangchiachangtzu	100	Gold			0.1–1.21/100,0	350,000
		Silver			0.74–2.0%	
		Lead			21.8%–55.9	200,000
		Zinc			12.0%–45.	150,000

Continued)

Region	Reserves (1,000 metric tons)		
Tienpaoshan	500	Silver	450 grams per ton
		Lead	5.5%
		Zinc	6.0%
		Copper	1.7%
Kuangtungkou	800–900	Lead	4– 8%
		Zinc	37–50%
		Silver	0.1%
Total	1,700		

Fireproof Clay

Little bauxite is produced in Manchuria but the land abounds in deposits of fireproof clay which contains around 50 per cent of oxide of aluminum. These resources, therefore, will play an important role in the development of the method for refining aluminum. The deposits are distributed in Fengtien Province, in Fuhsien, Penhsi-hsien and Liaoyang-hsien, being estimated at approximately 200 million metric tons. The production of clay during 1936 amounted to 147,494 metric tons. Hitherto the production has been chiefly exported to Japan as fire-proofing material, but as a result of the establishment of the Manchuria Light Metal Company it is now expected that this product will be utilized for the manufacture of aluminum in the near future by the company mentioned, utilizing the output of Yentai and Hsiaoshih in Penhsi-hsien.

Manganese Ore

The demand for manganese ore has steadily increased with the expansion of iron and steel manufacture, and it has become difficult for existing manganese mines alone to supply the demand. The deposits of this mineral are distributed in Chinhsi and Hsingchen in Chinchow Province, Fengcheng-hsien in Antung Province and Tunghua-hsien in Tunghua Province. At present only three mines are being operated on a commercial basis and although the amount of production is small, the quality of the product is considered very fine. License has been given for a number of new undertakings recently, indicating that mining of manganese ore is becoming more active The output in 1936 was given as 355 tons.

Limestone

sits of limestone are distributed all over Manchuria and their exploitation can be con- eadily. Production has been increasing since the foundation of the new State increasing demand for the manufac- nt. This is reflected by the creation of numerous cement factories, including the Daido, the Harbin, the Manchuria, the Penhsihu and the Manchuria Onoda firms. Production amounted to 846,943 metric tons in 1935. The limestone deposits are estimated at 1,700 million metric tons.

Yei
Jeho.
Daima
Jehol
Daito
Total
Note: All
kuo
Mining

Table 18. Limestone Production

(Metric Tons)

	Chushuitzu	Huolienchai	Penhsihu	Total incl. others
1930..	292,068	338,293	58,128	668,489
1931..	208,040	299,163	34,800	542,003
1932..	145,671	165,405	42,000	477,350
1933..	113,130	91,931	58,171	601,040
1934..	....	....	....	635,760
1935..	....	,...	....	846,943

Dolomite

As material for the manufacture of paints, this mineral is being produced abundantly in Haicheng-hsien and Kaiping-hsien, both in Fengtien Province. At present, it is used by the Penhsihu Dolomite Industrial Company for the manufacture of a white paint for building purposes. Annual production of the mineral is 16,000 metric tons.

Talc

Manchuria is rich in this mineral and the greater part of talc produced in the country is exported to Japan. Talc deposits were first discovered about 1910. After a period of reckless exploitation under the former regime, the talc mining industry was brought under State control with the establishment of the Manchuria Talc Company in 1934, specially organized for the purpose by the Manchoukuo Government. Transportation facilities in the talc producing districts have since been improved and the industry is making good headway, no less than 80,000 tons being produced annually.

Manchurian talc is of excellent quality, particularly in the case of the deposits found at Sunchiaopaotzu, where the grade compares favorably with Italian talc. This mineral is

produced in Manchuria only in Haicheng-hsien and Kaiping-hsien. Manchuria ranks next to the United States and France in talc production. Output reached 58,548 metric tons in 1934, 70,331 tons in 1935, and 79,250 tons in 1936. Exports of talc in 1937 amounted to 1,668,000 piculs valued at ¥866,000 and talcum at 169,000 piculs valued at ¥169,329.

Mica

Deposits of this mineral have of late been discovered in Fengning in Jehol Province, Tungning, Haicheng, Liaoyang and Fushun in Fengtien Province, Panshih in Kirin Province and Fengcheng and Kuantien in Antung Province.

Beryllium Ore

Rich deposits of this mineral have been discovered in the Hsingan Mountains by the Manchuria Mining Company and are expected to be worked after surveying is completed.

Pyrite

Pyrite is produced in Penhsi-hsien and Hsingking-hsien, Fengtien Province, and in Fengcheng-hsien, Antung Province. Output amounted to 5,115 metric tons in 1935, and 5,798 tons in 1936.

Copper Ore

Penhsi-hsien in Fengtien Province, Fengcheng-hsien and Kuantien-hsien in Antung Province, Chian-hsien in Tunghua Province, Hsingcheng-hsien in Chinchow Province, Panshih-hsien in Kirin Province, and Yenki-hsien in Chientao Province are well known for their copper deposits. However, owing to comparatively poor communication facilities, only the deposits at Panling, Malukou, Panshih and Tienpaoshan have hitherto been worked. An outcrop of copper ore stretching three miles has been discovered recently in Fengcheng-hsien. This large deposit, analyzed at between 6 and 24 per cent, has been found to be made up of three beds, and is very promising. Further surveying is being carried out.

Lead and Zinc Ores

These minerals are generally distributed in remote parts of the country, such as Chinhsi-hsien and Hsingcheng-hsien, Chinchow Province, Hsiuyen-hsien, Fengcheng-hsien and Kuantien-hsien, Antung Province, Chian-hsien, Tunghua Province, and Yenki-hsien, Chientao Province. The deposits are believed to be large. Both lead and zinc are found together with silver in the same beds.

Production of dressed lead ore amounted to 117 metric tons in 1935 and 1,420 tons in 1936. The output of dressed zinc ore during these two years was 55 tons and 2,122 tons, respectively.

Quartz and Quartzite

Manchurian quartzite belongs to the Protozoic era and has been mainly developed in South Manchuria. As material for making silica bricks, it is inferior to quartzite-breccia produced in Japan, but it is in large demand because of its low price. Output reached 148,754 metric tons in 1935.

Almost pure quartz veins are mined in the Chinchow and Pulantien disticts. Together with quartzite deposits, much importance is attached to these veins as material for the production of refractory materials and glass.

Asbestos

The present production of asbestos in Manchuria is small. Rich deposits of this mineral were recently discovered in Chuangho-hsien, Antung Province and in Chian-hsien, in the upper Yalu River basin. The defect of Manchurian asbestos lies in the fact that it contains iron, making it heavy and brittle, since its fibres are short. Because of this deficiency, it is doubtful whether it is suitable for manufacture of eternite pipes. Production in 1935 was 70 tons.

Asbestos exports in 1937 amounted to 256,242 "chin" (one chin equals ½ kg.), valued at ¥38,320.

Mineral Resources of Tungpientao Region

The Tungpientao region, located in the province of Tunghua, in eastern Manchoukuo, bordering Chosen, is noted for its rich mineral resources and is popularly described as the Saar of the East. To exploit the mineral resources of this region a concern, known as the Tungpientao Development Company, was established on September 14, 1938, capitalized at ¥30,000,000, of which ¥15,600,000 is paid up. The first stage of the Company's enterprises is to be devoted to the mining of iron ore and coal, along with the manufacture and sale of pure iron. In the second stage, iron foundries will be established to turn out 500,000 tons of pig iron a year. The figures of the output of iron ore and coal scheduled for 1939 are as follows:

	(M. tons)
Iron ore	350,000
Of which:	
Tailitsekou mines	200,000
Chitaokou mines	150,000

	(M tons)
Coal	400,000
Of which:	
Tiehchangtse mines	150,000
Wutaokiang mines	150,000
Pataokiang mines	50,000
Yentungkou mines	50,000

The Company forms an important branch of the Five-Year Industrial Programme. With the development of its enterprises, the Company expects in 1942 to attain at output of 1,670,000 metric tons of iron ore, 1,300,000 metric tons of coal, 500,000 metric tons of pig iron, and 100,000 metric tons of pure iron.

Petroleum

(For Oil Monopoly Law see the 1937 issue, page 877).

Following investigations in the last few years it has been confirmed that a fair supply of petroleum is to be found in the district about Dalainor, while the petroleum resources in other parts of the country are yet to be ascertained. A large oil vein was struck at Dalainor in May, 1939. The oil vein is estimated to be about 15 kilometers in length. At present the country obtains most of its petroleum requirements from foreign sources. In April, 1935 the Oil Monopoly Law was enforced with a view to rationalizing the industry. The Government established what is now known as the Manchuria Petroleum Company, a Manchou-Japanese joint concern in February, 1934 as the first step towards supervising the oil industry. In 1938 the Company was capitalized at M¥20,000,000. Of the total capital the Manchoukuo government has subscribed 40%, the Industrial Bank of Manchou 16%, and 13% by the South Manchuria Railway Co.

Table 24. Gasoline Demand

(Kilolitres)

	Production from domestic crude	Production from imported crude	Imported refined products	Exported refined products	Total consumption	Index No.
1929	——	——	174,762	——	174,762	100
1930	——	——	115,731	——	115,731	66
1931	——	——	65,586	——	65,586	37
1932	——	——	52,085	——	52,085	30
1933	——	——	126,883	——	126,883	72
1934	——	——	224,790	——	224,790	131
1935	——	58,567	119,512	——	178,079	103
1936	——	127,816	148,022	——	225,838	130

Petroleum Trade Expansion.—The petroleum trade is a monopoly in Manchuria. The market is exclusively held by the Manchou Petroleum Company which at once proceeded to put up a refining plant at Dairen, the same establishment operating since the beginning of 1935 with a capacity of annually dealing with 60,000 tons of crude oil for production of 360,000 boxes of gasoline, 890,000 boxes of lamp oil, and 210,000 boxes of machine oil, approximating one half of the total needs in the country in each of the specific lines. Later, the Company extended the plant to the point of treating 84,000 tons of crude oil each year for production of 1.2 million boxes of light oil, and an unspecified amount of heavy machine oil. A plan is under way to treble the Company's capital on an ambitious scale.

Abiding by the Manchoukuo Oil Monopoly Law and conforming to the plan for placing oils in Manchoukuo on a self-supporting and self-sufficient basis, the Company is permitted to engage in oil refining and in supplying the refined oil products to the Manchukuo Government. At the same time acting under the orders of the Manchoukuo Government, it is allowed to make test for oil and the oil industry in the country.

COAL LIQUEFACTION

The coal liquefaction industry in Manchuria is represented by three enterprises, located at Fushun, Chinchow and Ssupingkai, respectively. The scheduled production of crude oil of these three plants for 1939 aggregate 50,000 metric tons of crude oil and 10,000 tons of gasoline. Of the three plants those at Fushun and Ssupingkai were being operated in November, 1938. The plant at Chinchow is in the course of construction on a tract of land of 50,000 tsubo.

Three processes of coal liquefaction are being used. These are the Fischer synthetic process at Chinchow, the hydrogenation process at Fushun, while both the hydrogenation and low temperature carbonization processes are used at Ssupingkai. The hydrogenation process as used was developed by the Japanese Navy and the S.M.R. Company.

The coal liquefaction works at Fushun will have a production capacity of 33,000 metric tons but actual production is not expected to amount to any large volume in 1939. The plant at Ssupingkai is producing gasoline exclusively, the scheduled amount for 1939 being 10,000 metric tons. The plant at Chinchow is expected to produce 30,000 metric tons of crude oil in 1939 and its production capacity will be increased in stages to 100,000 metric tons.

The chief investors in these coal liquefaction companies are the Manchoukuo Government, the Industrial Bank of Manchou, the S. M. S. Company and private Japanese interests.

Besides these coal liquefaction companies there are other similar companies located in Japan and Chosen. The Noguchi interests in Chosen have completed a hydrogenation process plant which has been in operation since the autumn of 1938. A Fischer synthetic process plant is under construction at Miike, Japan by the Mitsui interests.

Table 25. Leading Coal Liquefaction Companies in Manchoukuo

(1938)

	Plant	Capital (¥1,000)	Established	Estimated production in 1939 (M. tons)	Process
Manshu Yuka Kogyo K.K.	Ssupingkai	2,500	1937	10,000	Hydrogenation and Low Temperature Carbonization
Coal Distillation Plant of S. M. R.	Fushun	16,000	1938	20,000	Hydrogenation
Manshu Gosei-Nenryo (Synthetic fuel) K.K.	Chinchow	50,000	Under const.	30,000	Fischer synthetic
Total	3	68,500	——	60,000	

ARTIFICIAL PETROLEUM EXPANSION IN JAPAN

The manufacture of artificial petroleum in Japan has passed the experimental stage and bids fair to become definitely established as an industrial enterprise. Because of its meager petroleum resources coupled with an increased wartime demand, the country has had to create an artificial petroleum industry, and the Government's policy of actively fostering it is responsible for the comparatively rapid progress it has made. The figures for 1936 indicate that the total demand for mineral oil, not including that imported by the Navy Department and other Government Offices, amounted to 3,730,000 kiloliters of which only about 10% was produced at home. Exact figures on the present demand and supply are not available, but from the annual increase in demand, which approaches 500,000 kiloliters, it may be inferred that under the wartime conditions of today Japan requires far greater quantities of oil than in 1936, and that the tendency is certain to become more pronounced in the future. Even the most positive and strenuous efforts to develop national resources in Japan are unlikely to bring about an appreciable inrcase in the oil supply, and it is therefore obvious that the bulk of the present immense demand must be, and is being, met by imported petroleum. In order to minimize the imports and make shift with home-produced oils as far as possible, Japan has no choice but to promote the rapid and healthy growth of the artificial petroleum industry.

Imperial Fuel Industrial Company

The liquid fuel policy of Japan first took practical shape in July, 1934, with the enforcement of the Petroleum Industry Law. Subsequently several laws were successively passed. On September 18, 1937 the law governing the Imperial Fuel Industrial Company was promulgated. The company was founded in January, 1938 with a capital of ¥100,000,000, of which half was invested in by the Government. Its chief object for the time being is to make investments with a view to furthering artificial petroleum production, but it is also expected to carry on all the necessary related business such as the manufacture and sale of artificial petroleum.

Revision of Production Program

The Japanese Government undertook a seven-year program beginning in 1936 for the production of liquid fuel from coal mined in Japan and Manchoukuo. It was expected that the two countries would be able in 1943 to turn out two million kilolitres of which one-half would be gasoline and the other half heavy oil. On the completion of the seven-year plan the combined domestic production of crude petroleum, artificial petroleum and petroleum mixed with alcohol would be sufficient to meet about half of the total demand. The capital required to carry out the seven-year plan was estimated at ¥770 million, the Imperial Fuel Industrial Company to provide about one-half, consisting of ¥100 million capital and debentures amounting to ¥300 million. This original program has been changed owing to the material mobilization system. Its tenure has been reduced from seven years to five years so that the plan is expected to be completed in 1941, and various details have been altered accordingly. Publication of figures concerning the altered program is not permitted, but as might be expected, owing to the actual conditions of the artificial petroleum industry considerable difficulty apparently is being encountered in translating the original plan into practice by 1941. Nevertheless it may be confidently expected that there will be no change in the Government's policy of attaining the greatest possible degree of self-sufficiency in petroleum through development of the artificial oil industry.

Coal Liquefaction Companies

All of the companies now concerned with coal liquefaction began making experiments in 1937 or thereabouts but they have not yet reached the stage of operation on an industrial scale. However, thanks to the formation of the Imperial Fuel Industrial Company and to the protection and encouragement which the Government has extended, the industry has begun to make gradual progress. According to an announcement made by the Government authorities before the Imperial Diet on March 19, 1939, factories are either under construction or permission for their construction has been granted in accordance with the provisions of the law governing the artificial petroleum manufacturing business. Only a few have started operations, one of these being the Wanishi works of the Japan Iron Manufacturing Company, where the low temperature carbonization process is employed, and another the Agochi factory in Chosen which is equipped for the hydrogenation process. The Omuta Gosei works of the Mitsui Mining Company and the plant of the Nippon Yuka Company Ltd., both equipped for hydrogenation, and the Mitsubishi Coal Liquefaction Company's factory at Uchihoro, Saghalien, were all expected to be in operation towards the end of 1939.

Other plants in the process of construction are the Hokkaido Artificial Petroleum Company, the Manchurian Synthetic Fuel Company, Saghalien Artificial Petroleum Company, and the Ube Yuka Kaisha.

Cost of Synthetic Petroleum

The cost of synthetic gasoline amounted to ¥0.80 per gallon as compared with the retail price of ¥0.64 for natural gasoline in 1939. An advance in the price of natural gasoline by eight sen per gallon, as well as a compensation plan for synthetic gasoline producers were under consideration in 1939 to support synthetic petroleum industry.

SHALE OIL

The South Manchuria Railway Company has since some years ago been engaged in the manufacture of heavy oil by treatment of oil shale, the amount turned over in the year 1935 being 67,000 metric tons.

The second-stage plan to increase the output of Fushun shale oil by 500,000 metric tons was formally decided upon at the meeting of the S.M.R. Board of Directors at Mukden on March 14, 1939. The project, which will entail an estimated expenditure of ¥150,000,000, was to be launched in 1939 and is scheduled for completion by the end of 1934. In presenting the plan before the Directors' meeting, Mr. Yosuke Matsuoka, then president of the S.M.R. Company, emphasized the advantages of producing oil from oil shale by stating that the process required, and that the production cost is lower than the cost of producing petroleum by liquefaction of coal. The first-stage plan now under way was scheduled to be completed in 1941, when the productive capacity of 500,000 tons will be attained, the second-stage plan will run concurrently with the above plan; the installation of equipment for turning out 250,000 tons will be completed in 1941, and that for producing another 250,000 tons will be completed the following year. Upon completion of the second-stage plan, the annual production of Fushun shale oil will amount to 1,000,000 metric tons.

is most reliable, as the valued product, coal, is not

It was reported in June, 1939 that the production of shale oil for 1938 under the Five-Year Plan reached 100 per cent. of the amount prescribed.

Table 26. Oil Shale Reserves

	Quantity (M. tons)	Grade (%)
Fushun	5,400,000,000	5.5
Fengning	16,000,000	4 – 7
Kingfotang	12,000,000	3 – 7
Lotzekow	200,000,000	4 – 6
Ilan	2,000,000	4 – 7
Total	7,628,000,000	

References:

Table Nos.: 1-2 a, 3-4 b, 5 a, 6-7 c, 8-11 d, 12-13 e, 14 d, 15-16 f, 17-20 a, 21-23 g, 24-26 a.

Key: a—S.M.R. Co.
b—Manchuria Colliery Co.
c—Manchuria Mining Assn.
d—Dept. of Com. & Ind., Japan.
e—Showa Steel Works.
f—Manchuria Gold Mining Co.
g—General Affairs Bd., Manchoukuo.

CHAPTER XXI

MANUFACTURING INDUSTRIES—I

I. GENERAL
II. TEXTILE
III. CHEMICAL
IV. BEAN OIL & CAKE
V. FOODSTUFFS & DRINKS

I. GENERAL

The manufacturing industries of Manchuria may be said to have taken up a new pattern of development with the establishment of the state of Manchoukuo in 1932 when it became apparent that the beginnings of a closer inter-relationship between the industrial fabrics of Japan and Manchoukuo had taken root. That trend has become increasingly evident in the succeeding years. The policy is ever-present in all of the major industries to bring the two countries into a common economic unit, to avoid destructive competition and to utilize as fully as possible the natural resources of the two countries. The presence of this pattern is most clearly observable in the heavy industries, but with the elapse of time the same device is expected to be carried out with greater thoroughness into the light industries.

Manchoukuo has been and is still essentially an agricultural country. With the exception of certain enterprises under Japanese management, those undertakings which may be classified as belonging to the manufacturing industry are few in number and small in scale.

The most industrialized region of the country is South Manchuria. Favoured with good transportation facilities, proximity to coal and iron mines and with safety assured by the Japanese garrison, South Manchuria has been the center of great activity for the past three decades. For most of the progress achieved there the country is indebted to Japanese capital and technical skill and to the important role taken by the South Manchuria Railway Company in introducing the latest western industrial machineries for its manifold enterprises.

Table 1. Statistics of Manufacturing Industries in Manchuria

Industries:	Manchoukuo			Kwantung & S.M.R. Zone			Total		
	No. of factories	Actual No. of workers	Production (¥1,000)	No. of factories	Aggregated No. of workers (1,000)	Production (¥1,000)	No. of factories	No. of workers	Production (¥1,000)
Textile:									
1934	1,139	33,389	39,232	128	10,750†	23,312	1,267	44,149	62,544
1935	...	...	...	98	4,090	31,867	...	...	...
1936	1,066	...	70,234	99	4,611	40,768	2,065	...	111,002
1937				58	2,144				
Metallic:									
1934	740	7,635	15,260	116	2,667†	4,261	856	10,302	19,521
1935	...	...	...	154	9,049	43,667	...	...	...
1936	812	...	23,311	174	6,790	128,629	986	...	151,940
1937				120	1,226				
Machine & Tool:									
1934	328	4,617	6,727	181	12,425†	22,550	509	17,042	19,550
1935	...	...	...	142	6,340	34,416	...	...	...
1936	421	...	10,177	207	5,357	40,245	628	...	50,422
1937				181	3,841				
Ceramic:									
1934	405	15,522	5,560	184	9,733†	10,569	589	26,163	16,127
1935	...	...	...	132	2,412	14,765	...	...	...
1936	427	...	11,384	156	4,856	17,037	583	...	28,420
1937				132	1,623				
Chemical:									
1934	601	8,339	29,836	280	9,267†	74,005	881	17,606	103,841
1935	...	...	...	177	2,829	116,738	...	...	...
1936	742	...	44,483	190	3,146	122,755	932	...	167,238
1937				103	2,076				
(Continued)									
Provision:									
1934	711	6,708	38,136	413	7,453†	28,862	1,124	14,161	69,215
1935	...	...	...	353	1,625	37,070	...	...	...
1936	815	...	110,892	393	2,695	54,819	1,208	...	165,711
1937				163	750				
Lumbering & Woodworking:									
1934	526	6,387	5,862	121	2,884†	10,947	647	9,171	16,809
1935	...	...	...	89	795	10,668	...	...	...
1936	578	...	14,635	81	901	10,267	654	...	24,902
1937				65	333				
Printing & Bookbinding:									
1934	275	4,859	4,798	117	2,392†	4,126	392	7,251	8,924
1935	...	...	...	101	1,168	6,246	...	...	...
1936	302	...	7,414	134	1,464	7,602	434	...	15,016
1937				91	674				
Miscellaneous:									
1934	1,773	20,541	14,781	237	4,792†	11,613	2,010	25,683	28,274
1935	...	...	...	141	3,671	23,510	...	...	...
1936	1,407	...	42,878	133	2,060	29,440	1,540	...	72,318
1937				103	1,119				
Total:									
1934	6,469	107,997	164,287	1,790	63,524†	196,362	8,286	172,979	360,649
1935	...	...	...	1,398	32,273	334,956	...	...	...
1936	6,570	...	335,408	1,576	32,332	470,547	8,146	...	805,955
1937				1,021	13,786				

Note: Statistics for 1937 with regard to Kwantung are exclusive of the S.M.R. zone, jurisdiction over which was transferred to Manchoukuo as a result of the abolition of extra-territoriality.
† Indicates actual number of operatives.
Factories operating less than five workers are excluded in the statistics for Kwantung.

Recent Situation

The value of industrial production in Manchoukuo and Kwantung has been steadily expanding. Between 1934 and 1936 the value of output more than doubled, advancing from ¥360,469,000 to ¥805,955,000. Later figures have not been released but computing the ratio of expansion of capital investments against production between 1934 and 1936 and calculating this rate with the increase of capital investments between 1936 and 1938, production in 1938 would have been in the vicinity of ¥1,514,720,000, according to this calculation, or an increase of 4.2 folds over the figure for 1934.

In 1936 Kwantung accounted for ¥470,547,000 in the value of production as contrasted with ¥335,408,000 in Manchoukuo.

Among all industries, the metal enterprise shows the most remarkable progress. Between 1934 and 1936 the value of production increased by seven folds and in the latter year amounted to ¥151,940,000, of which Kwantung accounted for as much as ¥128,629,000.

The spinning and weaving, provisions and lumbering enterprises showed a larger value of output in 1936 in Manchoukuo than in Kwantung.

Capital Investments.—Capital investments in the manufacturing industries as at the end of 1938 amounted to ¥766,112,000, as contrasted with only ¥90,936,000 in 1931. Investments were largest in the metal refining and electric enterprises, followed by the chemical industry.

Table 2. Capital Investment Outstanding in Manufacturing Industries in Manchuria

(Amount in ¥1,000)

	Textile				Metallic				Machinery			
	Authorized Cap.	%	Paid up Cap.	%	Authorized Cap.	%	Paid up Cap.	%	Authorized Cap.	%	Paid up Cap.	%
1934	22,050	5.3	13,096	4.4	121,350	29.0	79,697	26.7	16,850	4.0	9,775	3.2
1935	27,100	5.5	16,371	4.7	139,350	28.5	105,647	30.2	19,900	4.1	10,537	3.0
1936	35,650	5.1	24,137	5.1	171,150	24.9	115,947	24.7	24,270	3.5	15,022	3.2
1937	55,850	5.8	36,242	5.7	192,550	19.9	147,447	27.7	44,100	4.5	25,940	4.1
1938	87,330	7.6	49,882	6.5	233,450	20.4	191,302	25.0	98,270	8.6	59,397	7.7

(Continued)

	Ceramic				Chemical				Food			
	Authorized Cap.	%	Paid up Cap.		Authorized Cap.	%	Paid up Cap.	%	Authorized Cap.	%	Paid up Cap.	%.
1934	16,250	3.9	12,102	4.0	62,975	15.0	43,850	14.7	39,605	9.5	22,249	7.5
1935	26,950	5.5	17,932	5.1	64,750	13.2	46,840	13.4	62,540	13.8	31,712	9.1
1936	29,336	4.2	21,190	4.5	114,960	16.7	71,685	15.2	76,940	11.2	42,572	9.1
1937	30,986	3.3	22,230	3.5	199,810	20.6	106,255	16.8	82,842	8.6	50,324	8.0
1938	37,161	3.2	27,263	2.7	245,800	21.5	124,855	16.4	79,065	7.0	51,205	6.7

	Electric				Gas				Lumbering & Woodworking			
	Authorized Cap.	%	Paid up Cap.	%	Authorized Cap.	%	Paid up Cap.	%	Authorized Cap.	%	Paid up Cap.	%
1934	93,580	22.5	92,287	31.0	10,000	2.4	10,000	3.4	11,755	2.8	4,930	1.7
1935	94,320	19.4	92,977	26.6	10,000	2.0	10,000	2.9	13,255	2.7	6,050	1.7
1936	94,460	14.3	93,345	14.8	10,000	1.5	10,000	1.6	15,855	2.4	8,190	1.3
1937	214,069	22.2	123,298	19.5	20,000	2.7	18,000	1.8	14,565	1.5	7,960	1.3
1938	213,629	18.8	135,717	17.6	20,000	1.7	18,000	2.3	17,450	1.5	9,430	1.2

	Printing & Bookbinding				Other Industries				Grand Total			
	Authorized Cap.	%	Paid up Cap.	%	Authorized Cap.	%	Paid up Cap.	%	Authorized Cap.	%	Paid up Cap.	%
1934	2,775	0.65	913	0.31	20,900	5.0	6,762	2.3	418,090	100	295,663	100
1935	3,250	0.67	1,200	0.34	27,020	5.5	9,882	2.8	488,435	100	349,156	100
1936	3,600	0.52	1,450	0.31	81,685	11.8	66,195	14.1	657,906	100	469,735	100
1937	5,690	0.59	2,485	0.39	103,251	10.7	90,311	14.4	963,723	100	630,495	100
1938	5,100	0.44	3,975	0.52	107,201	9.4	94,584	12.4	1,145,457	100	766,112	100

II. TEXTILE

The textile industry of Manchuria owes its inception and growth to the advent of Japanese capital and technique. In 1938 there were approximately 320,000 spindles and 4,000 looms in the country.

In view of the close inter-relationship of Manchoukuo and Japan in industrial production much attention is being given towards diminishing competition between the spinning mills situated in Manchuria and those in Japan. Transference of a large number of idle spindles and looms in Japan to Manchuria was under consideration in 1939.

Table 3. Details of Spinning Industry
(1935)

	Number of Factories	%	Production (M¥1,000)	%	Amount of Investment (M¥1,000)	%	Number of Workers	%
Wild Silk Reeling ...	70	6.1	2,859	7.3	604	3.5	10,398	31.1
Cotton Yarn	2	0.2	6,538	16.7	6,172	35.5	2,339	7.0
Cotton Tissue	405	35.6	15,099	38.5	1,886	10.8	9,444	28.2
Woollen Textile	10	0.9	2,663	6.8	5,655	32.5	1,381	4.4
Silk Fabric	7	0.6	236	0.6	82	0.5	398	1.2
Knitted Goods	375	32.9	5,196	13.2	1,602	6.1	6,345	19.0
Dyeing & Weaving ..	242	21.3	5,634	14.3	784	4.5	2,612	7.8
Cotton Mfg.	11	1.0	705	1.8	46	0.3	265	0.8
Others	17	1.4	302	0.8	1,096	6.3	207	0.5
Total	1,139	100.0	39,233	100.0	17,387	100.0	33,389	100.0

Table 4. Statistics of Spinning Cos. in Manchuria
(June 1938)

(A) Number of Spindles

Co.	1938 June	Installed July-Dec. 1938	Projected increase	Total	Government Expansion Permit
Naigai Cotton Spi.	93,152	....	....	93,192	
Manshu Fukubo Spi.	29,520	5,000	15,000	49,816	obtained
Mukden Spi. & Weav.	30,816	....	20,000	58,816	not yet obtained
Yingkow Spi. & Weav.	23,760	31,968	....	55,728	
Manchuria Cotton Sp.	78,700	....	....	78,700	
Tomen Spi.	....	52,400	....	52,400	for wide cloth only
Manshu Cotton Yarn	15,960	14,960	....	30,920	sewing & twisted only
Kyotai Hosiery	....	....	49,980	49,980	hosiery yarn only
Toyo Tyre	....	....	10,000	10,000	for tyre only
Total	371,908	104,328	94,980	471,210	

(B) No. of Doubling Spindles and Looms

	Present		Projected increase		Total	
	Doubling	Looms	Doubling	Looms	Doubling	Looms
Naigai Cotton Spi.	...	(a) 1,152	...	...	...	(a) 1,152
Manshu Fukubo Spi.	960	...	...	(a) 800	960	(a) 800
Manchuria Cotton Spi. ...	2,808	(a) 1,045	...	...	2,808	(a) 1,045
Mukden Spi. & Weav.	888	(a) 150	...	(a) 500	888	(a) 750
Yingkow Spi. & Weav. ...	... ...	(a) 625 (b) 260	... ...	(a) 896 (b) 50	... ...	(a) 1,520 (b) 310
Manshu Cotton Yarn	8,320	...	7,904	...	16,224	...
Total	12,976	(a) 3,071 (b) 260	7,904 ...	(a) 2,196 (b) 50	20,880 ...	(a) 5,267 (b) 310

Note: (a) Wide Cloth. (b) Narrow Cloth.

Imports.—Imports of cotton piece goods show a steady expansion in the past few years. In 1938 total imports of these articles were valued at ¥84,175,000 of which 98% was accounted for by Japan.

Raw Cotton Imports.—Imports of raw cotton have been on the increase. The larger share of such imports were accounted for by British India followed by China and the United States. But as a result of the China Incident and consequent difficulties in obtaining foreign exchange Manchoukuo must look increasingly to North China to obtain her requirements of this commodity. The raw cotton requirements for 1939 in Manchuria is expected to be in the vicinity of 1,200,000 piculs, of which amount only 150,000 piculs are produced at home. Imports from North China in 1939 were expected to be roughly 450,000 piculs.

Table 5. Raw Cotton Import
(Unit: in 1,000 piculs)

	Japan	Chosen	China	British India	Brazil	U.S.A.	Total incl. others	
								(M¥1,000)
1934	10.5	0.4	12.8	238.0	—	18.9	281.0	12,284
1935	0	0.6	22.5	177.0	—	3.7	203.8	9,407
1936	0	0.5	82.5	279.0	2.9	13.9	383.8	18,601
1937	0	0.7	83.1	435.0	13.9	81.1	615.5	32,202
1938	670*		1,667*	..	..	..	2,337*	2,357

Note: * Metric Tons.

Table 6. Cotton Yarn Import
(Unit in 1,000 Catties)

	Japan	Chosen	China	British India	Great Britain	Total incl. others	
							(M¥1,000)
1934	5,629	450	10,747	56	50	16,556	12,533
1935	6,051	57	3,265	—	15	9,374	7,938
1936	7,856	54	984	—	—	8,891	7,698
1937	9,159	942	569	—	—	10,670	10,736
1938	3,178*		78*	—	—	3,280*	5,476

Note: * Metric Tons.

Weaving Machines.—There were as at the end of July 1935 a total of 16,549 weaving machines in Manchoukuo and Kwantung. The principal centers of the weaving industry are Fengtien Yingkow, Yuking and Hsinmintun.

Woollen Industry.—In spite of an abundant supply of wool in Manchoukuo, the woollen industry is quite inactive. This is due chiefly to the inferiority of the fibre. A woollen company was first established in Manchuria in 1918 when the Manchu-Mongol Woollen Manufacturing Co. (Mammo Keori) was brought into being with a capital of ¥10,000,000 under the support of the Kwantung Government, the South Manchuria Railway Company and the Oriental Development Company in order to meet the stoppage of the import of wool from Australia consequent upon the World War.

Table 7. Imports of Wool and Woolen Goods

	Woolen Yarn		Woolen Fabric	Wool		Total import
	(m. tons)	(M¥1,000)	(M¥1,000)	(m. tons)	(M¥1,000)	(M¥1,000)
1934	782	2,548	9,545	385	643	12,736
1935	538	2,030	11,314	580	966	14,310
1936	760	3,466	14,314	670	1,133	18,913
1937	2,530	7,551	18,997	750	2,905	29,453
1938	1,253	8,351	22,810	177	739	31,900

Table 8. Woolen Fabric Companies in Manchoukuo

(End of May, 1938)

	Locality	Established	Authorized capital (¥)	Capacity per Year	
Mam-mo Keori K.K.	Mukden	1918	10,000,000	Woollen fabrics: Woollen yarns: Mattings: Hats, etc.:	2,000,000 yards 700,000 pounds 33,000 Sq. shaku 100,000 dozens
Yuchingteh Works	Harbin	1922	650,000	Blankets: (daily) Woollen cloths: "	100 pieces 600 yards

Hemp-Dressing Industry.—The hemp-dressing industry has been regarded as a very promising industry in Manchoukuo in view of the brisk demand for gunny bags and the climate and soil of the country being well suited for the cultivation of hemp. In 1917 the Manchurian Hemp-dressing Company was established in Dairen and in 1919 the Manchu-Mongolian Textile Company in Mukden. Those two concerns so much prospered that for a time their combined production of gunny bags amounted to 4,000,000. In 1923 the Mukden Hemp-dressing Company, or a successor of the Manchu-Mongolian Textile Company suffered serious damage due to a fire.

At the beginning of 1939 the combined capacity of these two companies were 16,800,000 bags.

With a view to instituting an industry for flax in North Manchuria which is well suited for its cultivation, in April, 1934 the Nichiman Flax Spinning and Weaving Company was established with a capital of ¥6,000,000. The Mannichi Flax Spinning and Weaving Company, capitalized at ¥3,000,000, which is a sister company was also established at the same time. The Mannichi owns a factory in Mukden and factories for dealing with raw materials in Harbin and other places. The Mukden factory supplies all of the flax requirements of Manchoukuo, and surplus output is exported to Japan where the Nichiman Company owns a factory at Toyama. The capitalization is taken up by the Mitsui and other interests.

Table 9. Manufactures of Manchuria Hemp-dressing Co.

	Gunny bags (Pieces)	Hemp Cloth (yards)	Hemp yarn
1930	3,028,000	442,000	1,560,000
1931	3,765,500	331,000	1,630,000
1932	4,773,000	182,000	1,261,000
1933	4,649,000	175,000	1,166,000
1934	4,629,000	174,000	1,829,000

Table 10. Cultivation Area and Fibre Crop of Man-Nichi Flax Spinning & Weaving Co.

	Area of Cultivation (Cho)	Crop of Green flax (Lbs.)
1934	2,000	70,000,000
1935	6,000	150,000,000
1936	10,000	300,000,000
1937	15,000	450,000,000
1938 (Estimate) ..	28,000	700,000,000

Table 11. Import of Flax, Ramie, Hemp and Manufactures Thereof

	Jute, Flax, Ramie, etc.		Yarn, thread, cordage, twine and rope		Gunny bags, new		Gunny bags, old		Total value incl. others
	(m. tons)	(M¥1,000)	(m. tons)	(M¥1,000)	Piculs (1,000)	(M¥1,000)	Piculs (1,000)	(M¥1,000)	(M¥1,000)
1933	7,806	1,394	...	...	467	11,925	353	5,067	20,377
1934	18,367	2,666	1,900	912	427	10,390	506	5,744	20,463
1935	17,362	2,205	2,520	3,326	556	10,599	345	4,041	18,913
1936	21,684	3,049	2,840	1,652	446	9,468	368	4,557	19,516
1937	26,041	3,942	4,180	2,343	737	15,347	301	3,926	27,590
1938	14,057	4,929	2,191	1,447	52,993*	18,196	9,204*	2,714	27,286

Note: * 1,000 Pieces.

Wild Silk Industry.—The wild silk industry originally grew in Kaiping, whence it gradually spread to such places as Haicheng, Antung, Siuyen, Shipul, etc. The annual crop of wild cocoons is put at 6-10,000,000,000 pieces, or 8,500,000,000 to 8,600,000,000 pieces on an average.

The industry is run on a large scale under the modern factory system and also on a small scale by farmers as a subsidiary occupation. The wild silk factories are concentrated in the wild silk markets, such as Natung, Heicheng, Kaiping, Kaiyuang, Huanfengchen, Siuyen and Sifeng.

For the purpose of controlling the industry and effecting improvements in the quality of the yarn and other matters an export silk conditioning house was opened in Antung and branches in Haicheng and Kaiping-hsien in June, 1935.

Table 12. Exports (inclusive of shipment to Japan) of Wild Silk Cocoons and Others

(Volume in m. tons; Value in M¥1,000)

	Cocoons, refuse and wild		Raw silk yarn wild		Waste silk		Silk pongees		Total Value
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	
1934	1,395	230	1,480	7,409	1,635	796	17	178	8,613
1935	790	137	1,360	7,279	1,493	1,106	35	325	8,846
1936	1,430	317	990	6,118	990	1,155	35	329	7,919
1937	880	177	1,485	8,386	1,585	2,623	34	298	11,484
1938	258	164	1,199	6,257	1,804	4,698	45	513	11,632

Rayon.—A significant development in the manufacture of rayon has been witnessed in Dairen and Ryojun. From a total of 2,790 yards produced in 1932, the output was up to 237,180 yards in 1935, valued at ¥79,270.

Promotion of the Staple Fibre Industry.—Perceiving an urgent necessity of promoting the staple fibre industry, the Manchoukuo Government laid down a concrete policy therefor towards the end of June, 1937. The details of the policy are as follows:

(1) To institute a state laboratory in regard to staple fibre to pursue the study of spinning, weaving, colouring and finishing.

(2) To exempt staple fibre tissues from the consumption tax, reduce the railway freights thereon and encourage the consumer in the use of articles made wholly or partly of staple fibre.

(3) To lay down a state policy of pulp for Japan, Korea and Manchoukuo by taking adequate measures for afforestation and the import of materials for pulp, while ensuring and investigating the resources of materials, taking into consideration the close relations between pulp for the manufacture of rayon and that for paper.

III. CHEMICAL

CEMENT INDUSTRY

Prior to the Manchurian Incident of 1931, there existed no cement factory in Manchuria except the cement plant of the Penhsihu Iron Works which produced blast furnace cement for self-consumption by mixing its slag with imported Portland cement at the ratio of 40 per cent. In the Kwantung Leased Territory, however, the Onoda Cement interests were already operating in the vicinity of Dairen a branch factory, which supplied the bulk of its output to Manchuria.

Since the founding of Manchoukuo, however, the local demand for cement has been increasing rapidly due to the enormous activity of civil engineering works and other industries stimulated by financial support from Japan. As a result, many cement factories have been established, and their aggregate capacity have been expanding to a point of making the new State self-sufficient in cement.

Table 13. Demand and Supply of Cement in Manchoukuo

(In metric tons)

	Output	Import	Export	Demand
1924....	103,400	28,400	28,600	96,000
1925....	....	26,000	48,600	71,300
1926....	....	49,600	64,600	97,000
1927....	111,900	69,200	32,900	135,000
1928....	151,400	41,900	68,800	129,000
1929....	205,700	46,000	80,400	166,000
1930....	194,500	46,800	106,100	138,200
1931....	162,000	38,900	83,500	109,400
1932....	108,800	33,600	35,100	117,900
1933....	184,900	155,400	18,400	323,200
1934....	232,600	305,400	8,100	527,600
1935....	378,000	155,200	11,900	516,500
1936....	580,000	167,400	95,100	624,700
1937....	800,000	49,598	28,843	820,755
1938....	....	176,287	13,403	....

Eight factories were operating at the end of 1937 with the combined annual capacity of 1,010,000 metric tons, while current expansion plans will call for the increase of production capacity to 1,300,000 metric tons.

The Government planned in 1939 to transfer idle equipment from Japan and set it up in Manchuria, instead of permitting installation of new machines, with a view to conservation of material. Idle equipment transferable to Manchuria from Japan, for which negotiations were being carried on, had a production capacity of 1,000,000 metric tons.

Table 14. Cement Manufacturing Cos. in Manchoukuo and Kwantung
(1939)

	Capital (M¥1,000)		Annual Capacity (M. tons)	Expansion Plan (M. tons)	Affiliation of
	Authorized	Paid up			
Onoda Cement Co. of Kwantung:					
Dairen factory	500	500	250,000		Onoda
Anshan factory	250	250	125,000		”
Manchuria Cement Co.:					
Liaoyang factory	2,500	2,500	70,000	90,000	Mitsui, Asano
Fushun Cement Co.:					
Fushun factory	2,500	2,500	100,000	50,000	S.M.R. Co.
Tatung Cement Co.:					
Kirin factory	3,000	3,000	110,000		Asano
Penhsihu Cement Co.:					
Penhsihu factory	3,000	3,000	100,000	50,000	Okura
Onoda Cement Co. of Manchou:					
Chuantou factory	5,000	2,500	100,000		Onoda
Harbin Cement Co.:					
Harbin factory	1,000	1,000	100,000		Mitsui
Mutankiang factory				100,000	”
Total	17,750	15,250	955,000	290,000	

Fire-Proof Clay.—The districts of Fuchow, Yentai and Penhsihu are rich in fire-proof clay. Tests of the substance revealed the following highly favourable result:

Table 15. Components of Fire Clay by Leading Producing Districts

	Silicic Acid %	Alumina %	Oxidized Iron %	Lime %	Magnesia %	Heat Loss %	Testing
Fuchow Soft Clay	44.92	39.54	1.92	0.26	0.18	14.84	Siegel System: No. 34
” Hard Clay	28.23	54.55	2.29	0.20	0.22	15.04	” ” No. 37
Yentai Soft Clay	44.35	36.90	3.58	0.29	0.34	14.79	” ” No. 32
” Hard Clay	44.76	37.95	2.43	0.21	0.16	15.56	” ” No. 33
Penhsihu Hard Clay	44.30	40.00	1.34	0.33	0.23	15.42	” ” No. 33

Glass

The glass industry in Manchuria suddenly sprang up on the stoppage of the imports of European goods during the World War. Since the founding of Manchoukuo the demand for glass has increased considerably. Production of glasswares has expanded from ¥554,000 in 1932 to ¥1,500,000 in 1935.

The glass market in Manchoukuo is practically monopolized by the Mitsubishi concern through the Shoko Glass Company capitalized at ¥3,000,000 at Dairen and the Manchuria Shoko Glass Company, capitalized to the same amount, at Mukden. Both of these establishments are subsidiaries of the Asahi Glass Company, the largest of its kind in Japan. Production of the Shoko Glass Company in 1935 was valued at ¥3,000,000 consisting of 600,000 cases of sheet glass.

Table 16. Sheet Glass Manufacturing Companies
(End of Sept., 1939)

	Established	Head office	Capital (¥1,000)	Affiliation	Capacity per year (Box in 100 sq. feet)
Shoko Glass Co., Ltd.	1925	Tokyo	3,000	Asahi Glass Co. 60% S.M.R. Co. 40%	800,000
Manshu Shoko Glass Co., Ltd.	1937	Mukden	3,000	Shoko Glass Co.	500,000

Paper

About 80 per cent. of the demand for paper is supplied from abroad, Japan being the major supplier.

There are two large paper manufacturing companies in Manchoukuo, namely, the Yalu Paper Manufacturing Company and the Matsuura Paper Manufacturing Company. The former is capitalized at ¥5,000,000, representing the Okura and Ohashi interests and has a capacity of 12,000 tons for pulp and 8,500 tons for paper. The latter is capitalized at ¥300,000 and has a capacity of 900 tons. Until the foundation of Manchoukuo there were a number of minor paper mills operating in the country, including the Funing Paper Company, which has since been merged.

Imports.—Paper imports in 1938 were valued at ¥17,290,000.

Pulp

The pulp industry of Manchoukuo was initiated in 1919 by the Yalu Paper Manufacturing Company, when it installed equipments for an annual capacity of 12,000 metric tons. Owing, however, to the post-war economic crisis, the Company was forced to suspend operations. As a result of the Manchurian incident, the Japan-Manchoukuo economic bloc was completed, while the rayon industry began to make phenomenal developments.

Table 17. Pulp Manufacturing Concerns
(End of June, 1938)

	Established	Authorized Capital	Paid-up Capital	Affiliation	Factory
Toho Pulp Ind. Co.	May, 1934	¥30,000,000	¥7,500,000	Kanebo	Chientao
Japan-Manchuria Pulp Co.	Sept., 1936	10,000,000	5,000,000	Oji Interest	Tunhua
Manchuria Pulp Industrial Co.	May, 1936	10,000,000	5,000,000	Mitsubishi	Hsinking
Toyo Pulp Co.	Sept., 1936	10,000,000	5,000,000	Kawanishi	Shihyen
Chengteh Reed Pulp Co.	Dec., 1936	5,000,000	2,500,000	Kanebo	Yingkow
Soya Bean Pulp Co.	Aug. 1937	10,000,000	5,000,000	Sakai Fibre Ind. Mitsui Bussan S.M.R.	Kaiyuan

Reed Pulp

A process for converting Manchurian reed into pulp which was successfully made by the Kanegafuchi Spinning Company some ten years ago has led to the establishment of a reed pulp industry in the country. Much hope is pinned in the future of this enterprise. The Kanegafuchi Spinning Company produced in 1938 approximately twenty tons of reed pulp daily, and plans are on foot to increase yearly production to 150,000 tons at a total outlay of ¥80,000,000. The Kanegafuchi Spinning Company purchased approximately 10 square miles of reed land along the Liao river at a cost of ¥1,600,000. A similar amount of reed land was purchased by the Oji Paper Company which is also interested in the reed pulp industry. Plans for developing the reed pulp industry in Shingishu, Chosen is also under consideration by the Kanegafuchi Spinning Company.

Ammonia Sulphate

The production of ammonia sulphate is making much headway, the output for 1935 by three of the major producers, namely, the Fushun Oil Factory, the Fushun Electric Power Station and the Showa Steel Works, amounting to 39,122 metric tons. Projects have been laid to increase the output of this chemical to 348,000 metric tons by the end of 1939. Of this amount the Manchuria Chemical Industry Company is expected to account for 240,000 metric tons.

As a result of the independence of Manchoukuo from China in 1932, which charged Japan with the mission of chemical exploitation of the resources of the new country, a charter for the Manchuria Chemical Industrial Company was granted by the Tokyo Government in December, 1932 and the Company was formerly organized in May, 1933. A factory was started at Kanchengtzu near Dairen. Of the capitalization of ¥25,000,000, a half was taken up by the South Manchuria Railway Co. In March, 1935 the factory was completed and immediately put in operation with the purpose of turning out sulphate of ammonia to the amount of 180,000 metric tons a year to be increased later. The plant is equipped with 35 coke ovens. There is a coal shed of 2,000 tons capacity for fueling the ovens. The plant uses 30,000 kilowatt of electric power, a daily supply of 8,000 tons of fresh water and 64,000 tons of salt water and consumes 120,000 tons of Fushun coal yearly.

The ammonia sulphate industry received a further impetus in 1939 by the establishment of the Manchuria Ammonia Sulphate Company, capitalized at ¥50,000,000 invested in equally by the Manchoukuo government and Japanese industrial guilds. The company plans to produce 200,000 metric tons of ammonia sulphate annually commencing 1941, and will establish its plant at Hulutao.

Exports.—Exports of sulphate of ammonia were 212,340 metric tons valued at M¥16,571,000 in 1938.

Table 18. Production of Sulphate of Ammonia
(In Metric tons)

	Manchuria Chemical Incl. Co.	S.M.R. Co.		Showa Steel Works	Penhsihu Iron & Colliery Co.
		Fushun oil factory	Fushun electric power station		
1933	——	18,376	5,681	4,891	——
1934	——	14,675	5,560	6,958	——
1935	——	24,717	6,175	8,230	——
1936			181,033		
1937	135,408	26,154	6,391	11,480	1,843
*1938	240,000	42,000	6,000	16,000	....
*1939	240,000	80,000	6,000	22,000	....

Note: Metric Tons.

Table 19. Production Capacity of Manchuria Chemical Industrial Co.

(End of July, 1938)

	Metric Tons
Sulphate of Ammonia	240,000
Sulphuric Acid	250,000
Thick Sulphuric Acid	3,000
Nitric Acid	2,000
Benzol	1,000
Nitrate of Ammonia	3,000
Tar	1,000
Creosote	1,000
Pitch	2,000
Cokes	10,000

Soda Ash

The salt fields in Kwantung Province cover an extensive area of 18,000,000 tsubo and have an annual productive capacity of about 500,000 koku. Not only is it very easy to increase output but production cost is very moderate. Further, there is an ample supply of lime, sulphate of ammonia and fuel. Thus, the country is favoured with every condition necessary for the soda industry. With the laying of the solid foundation of the salt industry (Vide Chapter on Fisheries) in May, 1936 there was brought into being a Manchuria Soda Company under Government supervision in Kanchengtzu, Dairen. Annual capacity of the Company is 36,000 metric tons. Production in 1933 was estimated at 30,000 metric tons. A half of the capacity is intended to meet requirements in all Manchuria and the other half those in Japan and South China. The capital is ¥8,000,000, two thirds of which is paid up. Of that amount of the authorized capital, 25% each is put up by the South Manchuria Railway Company, and the Manchu Chemical Industrial Company, 35% by the Asahi Glass Company and 10% by the Shoko Glass Company.

Imports.—Imports of soda ash in 1938 amounted to 524 metric tons valued at ¥55,000.

Caustic Soda

Following the development of the pulp and coloured pulp industry in Manchoukuo, the demand for caustic soda has increased. The total amount of this material required for 1939 was 8,000 tons, while that for 1940 is expected to be more than 10,000 tons. Aiming at self-sufficiency in caustic soda, supply of which was formerly solely dependent upon import from Japan the Manchuria Soda Company will try to cover the greater part of the demand for caustic soda in 1940, with products from its own plants which are under construction at Dairen, Mukden and Kaiyuan. The plants, which will commence operations by the end of 1939, will give an annual output of 3,000 tons of caustic soda at Dairen, 2,000 tons at Mukden and 4,500 tons at Kaiyuan.

In addition to these plants, the Manchuria Soda Company will establish another plant at Tumen in 1940. On completion of this plant, which will yield an annual output of 2,600 tons, the demand of caustic soda in Manchoukuo, which will be considerably increased as the pulp industry develops, should mostly be covered by products from the Manchuria Soda Company.

Soap

Formerly, Manchuria looked entirely to foreign supply for her requirements of soap. The imports which were very inferior in quality, tended to increase. Since the World War, however, the European and American goods have been largely replaced by Japanese manufactures.

At present about 60 per cent. of requirements of soap in Manchuria is met by imports from Japan and the rest by products of local factories. Principal soap manufacturers in Manchuria are the Dairen Fat Industrial Company, the Soap Department of the Manchu Paint Company and the Mangyoku Company. The smaller factories are hard pressed by cheap priced imports from Japan. Imports of soap in 1938 were valued at ¥6,730,000.

Table 20. Demand and Supply of Soap in Manchoukuo
(In Yen)

	Production	Import	Export	Consumption	Consumption per capita
1930	1,165,000	2,178,486	48,959	3,296,445	0.10
1931	1,045,500	1,629,687	61,810	2,613,377	0.08
1932	1,476,100	1,989,760	85,362	3,380,498	0.11
1933	1,308,400	1,572,277	33,144	2,847,533	0.09
1934	1,321,000	2,021,554	....	3,341,197	0.11
1935	....	2,205,915	149,882	....	...
1936	....	2,986,903	12,539	....	...
1937	....	4,069,701	965	....	...
1938	....	6,730,000	....	....	...

Paint

Despite a growing demand for paint due to building activities and other developments, the country has hitherto been almost entirely dependent upon imports for the supply of this line of goods. Since the Manchurian incident, however, the paint industry has gradually expanded and improved. In December, 1934 the Manchurian Paint Company amalgamated the Harbin Paint Company in order to meet swiftly increasing demands for paint. At present there are in Manchoukuo only three paint factories, namely, the Dairen and Harbin factories of the Manchurian Paint Company and the Mukden factory of the Nippon Paint Company. These three factories supply about 70 per cent. of the total requirements of paint of Manchoukuo.

The Manchurian Paint Company was established in February, 1919 in Dairen capitalized in 1938 at ¥1,500,000 (625,000 paid-up). Its products consist of common paint, mixed paint, varnish, paint oil, aqueous wall paint, putty, illuminating paint, hydrozincite and other chemicals. Since its establishment, the Company has steadily developed. It has branches in Shanghai, Tientsin and Harbin. Its productive capacity is ¥700,000 to ¥900,000 a year. The manufacturers mentioned above find their markets not only in North and South Manchuria but also in China and the South Seas region. After the Manchurian Incident, there was established at Mukden another paint company styled the Japan-Manchoukuo Paint Company with a capital of ¥1,000,000, of which ¥250,000 was paid up. In September, 1934 the Company was merged in the Nippon Paint Company, which has had steady markets in Manchuria for twenty years past, and has since been known as the Mukden factory of the Nippon Paint Company. Its annual productive capacity is put at ¥1,500,000.

Paint imports in 1938 amounted to ¥1,006,000.

Dyestuff

Formerly, the people of Manchuria made a considerable amount of indigo and other dyestuffs from the bark of pagoda or maple tree. In those days small dyestuffs plants existed in all parts of the country. With the appearance of German dyes in the market the industry began fast to lose strength. Due to the stoppage of the import of German dyes during the World War, Japanese and American dyes found their way to the Manchurian market, while the manufacture of indigo revived.

The Yamato Dyestuff Company is the only company of the kind in Manchoukuo. It was established in Dairen in 1919. It is capitalized at ¥2,000,000, of which ¥800,000 is paid up. Its productive capacity is 2,000,000 kin.

Imports.—Imports of coal tar dyes in 1938 were valued at ¥6,784,000. Principal exporters are Germany and Japan.

Synthetic Rubber

Synthetic rubber production in Manchoukuo is expected to get under way in 1940 with the establishment of a plant at Kirin, utilizing hydro-electric power from the Sungari power station. The firm which is known as the Manchuria Synthetic Rubber Company expects at first to produce 50 tons daily, but will later increase output to meet the rise in the demand for synthetic rubber.

Match

The match industry in Manchuria was started in 1906. During the World War match factories were established in such places as Dairen, Antung, Kirin, Mukden, Yinkow, etc. In 1925 the Swedish match interests began to exert a dominant influence over the match market in Manchuria. Many of the match companies that had existed were brought under the control of the Swedish interests. In 1931 the Chinese authorities instituted the match monopoly system and charged the Sino-Japanese Match Association with the working of the system. After the Manchurian incident, the Swedish interests applied for permission to join the association. Thereupon a match association was formed anew embracing all the enterpreneurs concerned in Manchoukuo and simultaneously public markets were established as a marketing organ. The whole amount of the capital involved was taken up by the Japanese interests.

In July, 1932 after the establishment of Manchoukuo the public markets were brought under the direct control of the Department of Finance of the new Government. The Swedish interests disposed of all their share-holdings and withdrew from the market. Match production in 1937 amounted to 327,828 boxes. Imports amounted to 1,218,000 kilograms valued at ¥468,000 in 1938.

Table 21. Match Manufacturing Companies in Manchoukuo and Kwantung

(1938)

	Management	Locality	Capital	Annual capacity (Boxes)	Production in 1937 (Boxes)
Kirin Match Co.	(Japanese)	Kirin	¥ 750,000	82,500	32,411
Chinhua " "	(Manchou)	"	160,000	31,700	12,955
Chungchih Match Co.	(")	"	160,000	42,400	16,101
Taifeng " "	(")	"	100,000	28,300	86,052
Nisshin " "	(Japanese)	Hsinking	300,000	37,500	27,026
Changchun " "	(")	"	116,800	52,500	33,880
Paoshan " "	(")	"	115,000	52,500	35,573
Huilin " "	(Manchou)	Mukden	206,000	93,000	28,463
Tanhua " "	(")	Antung	1,200,000	45,200	21,949
Sanming " "	(")	Yingkow	150,000	78,000	48,584
Shengsheng " "	(")	"	100,000	62,500	21,803
Kwantung " "	(")	"	100,000	53,600	20,722
Luchang " "	(")	Tsitsihar	100,000	29,200	9,840
Chenhsing " "	(")	Hulan	300,000	28,300	5,310
Changheng " "	(")	Tunghua	200,000	19,000	4,603
Dairen " "	(Japanese)	Dairen	500,000	30,000	46,239
Total 16 Cos.			4,571,000	712,500	327,828

Gunpowder and Other Explosives

Gunpowder, ammunition and arms are manufactured by the Mukden Arsenal. Explosives for the use of mining and engineering are made by the Manchuria Mining Drugs Company, which was opened in 1919. By way of pursuing the policy of bringing under government control the manufacture and sale of gunpowder, which has an important bearing upon the preservation of peace in the country, the Civil Affairs Department of Manchoukuo has established a special concern by merging all the powder manufacturing companies throughout the country. The new company is known as the Manchurian Gunpowder Marketing Company, Limited, and under the direct supervision of the minister of civil affairs. It is capitalized at 500,000 yuan, of which 250,000 yuan is taken up by the Manchoukuo Government and the remaining half by the South Manchuria Railway Company, the Mukden Arsenal, the Penhsihu Iron Manufacturing Company, Showa Steel Works, and Manchuria Colliery Co.

Bricks

The manufacture of bricks in Manchuria is very old in origin. The relics of ancient times, which are sometimes found, prove of fine quality. Black bricks, which are used at present, are of very inferior quality. They are produced chiefly in Mukden, Hsinking, Tsitsihar, Taonan, etc. Those which are generally known as red bricks are manufactured at factories of a considerable size. It was over a quarter of a century ago that the manufacture of this kind of bricks was started in Manchuria. With the increase in the demand for machine-made red

bricks, and the accompanying growth of new enterprises, the industry has of late appreciably developed.

The demand for bricks throughout Manchoukuo in 1935 totalled 150,000,000 pieces in Mukden and 500-600,000,000 in Hsinking, Dairen and Harbin and other towns combined.

There are about 60 Japanese and Manchoukuoan bricks works. Fireproof bricks are manufactured exclusively by the Dairen Ceramic Company, the Higashigaoka Factory of the Fushun Ceramic Company, the Showa Steel Works, the brick factory of the Penhsihu Iron Works, etc. The capacity of all those brick works was 40,000 metric tons in 1933 and 70,000 tons in 1935.

Exports.—Manchoukuo's exports of brick and tiles amounted in 1938 to 29,000 metric tons valued at ¥1,036,000.

Earthen Ware and Porcelain.—The production in Manchoukuo is still comparatively small. The major portion of the demand which is increasing rapidly, is supplied by imports from China and Japan. Since very early days, water jars and other primitive potteries have been manufactured in such places as Mukden, Fushun, Hsinking and Penhsihu.

There are several pottery and porcelain companies in Manchuria. The largest of them is the Tahoa Pottery and Porcelain Company, which was formerly a laboratory of the South Manchuria Railway Company. It was in October, 1920 that it was separted from the South Manchuria Railway Company and reorganized as an independent concern under the present title in Dairen. It was also the first company of the kind established in Manchuria. Capitalized at ¥155,000, the Company turns out kitchen utensils for the Manchoukuoans and also insulators. The annual productive capacity is 4,500,000 pieces, valued at ¥220,000. All the rest are small concerns. Principal ones are as follows:—

Huitung Ceramics Co. (Capacity, 2,800,000 pieces, value ¥100,000); Adachi Ceramics Works (Capacity 3,600,000 pieces, value ¥140,000); Tung Sheng Ceramics Works (Capacity 4,000,000 pieces, value ¥160,000); Liaotung Ceramics Works (Capacity 2,800,000 pieces, value ¥90,000).

Imports.—The import of potteries and glassware for electrical or industrial uses amounted to 8,227,000 kilograms valued ¥2,197,000 in 1938.

IV. BEAN OIL & CAKE

Bean Oil Milling

The production of soya bean oil and beancake is the most important enterprise of Manchoukuo from the standpoint of value of production among all manufacturing industries of the country. In 1938 the output of bean oil at the 4 principal centers was 97,255,000 kin and bean cake 20,585,000 pieces.

The growth of this enterprise is due to the new uses found for bean oil in the last quarter century, and Manchoukuo's exports of bean oil and bean cake form the largest items among her total exports. The export in 1938 of bean oil amounted to M¥14,099,000. Combined they accounted for approximately 11.4 per cent. of total exports.

Table 22. Output of Bean Oil at the Principal Cities

(Unit: in 1,000 Kin; 1 Kin=0.6 kilogram)

	Dairen	Yingkow	Antung	Harbin	Total	Total incl. Others	
							(M¥1,000)
1932	154,620	26,240	22,930	17,270	221,061	238,720	32,657
1933	98,209	20,540	17,280	16,410	152,520	192,180	26,617
1934	91,023	11,216	17,706	13,896	133,841	214,175	20,216
1935	63,895	12,175	10,572	19,193	105,836	198,165	25,308
1936	57,301	7,676	5,701	15,559	86,237	157,760	31,505
1937	58,632	8,578	5,000	19,756	91,967	....	....
1938	64,478	2,300	6,264	24,212	97,255	....	....

At first the main business of the industry was the extracting of linseed oil. The primitive linseed oil extraction method was applied to soya beans in Tiehling and Changchun (present Hsinking) districts, important market of beans, some sixty years ago. As the result obtained was satisfactory, the bean oil industry commenced. At that time, the bean oil was directed for local consumption alone, and was used for cooking, lighting, and other domestic purposes.

The original method of pressing oil out of beans was very simple and primitive, only hand or mule operated wedge or screw system being used. But with the rapid progress made in the utilization of bean oil and the increased demands abroad, the method of oil abstraction was improved. Hydraulic power came to be used in place of human labour or mule power, in operating the presses. Then a more scientific method of abstraction by means of chemical solvents was discovered by the Central Laboratory of the South Manchuria Railway Company. Under this new abstraction method, benzine, benzol or alcohol is used to abstract and solve oil contained in beans.

Uses of Bean Oil.—The uses of soya bean oil have increased markedly in the last three decades. At present they are used for such diversified purposes as the manufacture of soap, as a lard and butter substitute, as a constituent of paint, varnish and shellac, glycerine, water proofing, and as substitutes for rubber and petroleum.

Bean Cake.—Soya bean cake is used for various purposes, the principal uses being fertilizer and animal feed, while with further processing it is manufactured into a celluloid substitute, medicine, sizing for paper making and for "Ajinomoto." It is also used extensively for the manufacturing of sauce material, bean flour and "shoyu," and "miso."

Table 23. Output of Bean Cake at the Principal Cities

(Unit: Volume in 1,000 pieces; 1 piece weighs 27.6 kgs.)

	Dairen	Yingkow	Antung	Harbin	Total	Total incl. Others	
							(M¥1,000)
1932	30,812	5,228	4,568	3,441	44,050	47,744	80,687
1933	19,587	4,093	3,444	3,270	30,394	38,436	59,576
1934	20,227	2,772	3,935	2,911	29,845	42,835	50,117
1935	14,198	2,921	2,349	3,870	23,339	39,633	53,901
1936	12,734	1,877	1,267	3,392	19,269	31,552	63,135
1937	13,029	1,973	1,040	3,614	19,656	....	....
1938	14,329	491	1,139	4,626	20,585	....	....

Table 24. Number of Bean-cake Mills and Productive Capacity

		South Manchuria Districts				North Manchuria Districts		
		Dairen	Antung	Yingkow	Other places	Harbin	Other places	Total
No. of mills	1923	87	25	29	416	42	7	606
	1929	59	26	22	297	40	28	472
	1933	50	23	20	238	43	28	402
	1936	45	22	14	289	24	28	422
	1937	42	21	20	235	28	20	365
Productive capacity in 1,000 pieces of bean-cake per day	1923	308	45	42	128	87	5	615
	1929	218	54	39	130	83	46	570
	1933	149	37	33	88	94	38	439
	1936	173	36	29	90	57	38	423
	1937	140	31	31	70	60	24	356

Table 25. Export of Bean Oil and Bean-cake By Destinations

(a) Bean Oil

	Japan & Chosen	China	Hongkong	Germany	Great Britain	Nether-lands	U.S.A.	Total incl. Others
Volume (m. tons):								
1932	387	91,200	....	20,350	4,220	6,300	998	128,000
1933	278	47,675	....	24,400	4,910	2,520	1,960	81,120
1934	1,322	31,800	1,610	43,750	2,520	10,210	426	97,200
1935	755	9,730	9,180	26,200	15,900	11,410	6,000	89,000
1936	1,230	9,720	10,900	26,000	11,390	3,840	2,550	66,000
1937	615	2,306	6,527	19,407	3,443	24,666	5,907	69,654
1938	298	21,166	180	15,907	225	14,441	712	57,248
Value (M¥1,000):								
1932	79	17,932	....	3,768	777	1,086	198	24,512
1933	63	10,519	....	5,497	1,127	570	449	18,473
1934	302	4,792	316	7,703	454	1,754	82	16,262
1935	178	2,208	2,052	5,935	3,584	2,580	1,370	20,132
1936	429	3,111	3,291	8,183	3,551	1,236	860	21,383
1937	219	847	2,411	6,731	1,303	9,253	2,197	25,343
1938	93	5,317	46	3,804	51	3,625	157	14,099

(b) Bean-cake

	Japan & Chosen	China	Germany	Nether-lands	U.S.A.	Great Britain	Total incl. Others
Volume (1,000 m. tons):							
1932	719	479	43.9	11.5	12.2	3.4	1,420
1933	765	234	8.4	5.2	25.4	1.6	1,040
1934	972	182	9.3	4.5	30.5	1.0	1,205
1935	765	192	6.3	0.6	39.2	1.9	980
1936	701	110	4.5	0.2	4.1	0	849
1937	646	99	4.2	0.8	37.5	..	802
1938	807	40	0.3	3.1	8.4	..	869
Value (M¥1,000):							
1932	34,437	24,700	1,781	424	543	166	66,301
1933	40,948	12,976	471	257	1,265	81	57,614
1934	41,376	7,475	386	184	1,256	39	51,509
1935	38,076	9,946	333	30	1,945	98	51,370
1936	43,220	7,341	320	13	1,610	5	53,127
1937	50,292	7,713	301	59	2,896	..	62,336
1938	65,365	3,134	30	284	774	..	70,575

V. FOODSTUFFS & DRINKS

Distilling and Brewing

Kaoliang

The distilling of kaoliang spirit is the most important of this line of industry in Manchoukuo reaching annual production of approximately 400,000 koku. The principal places of production of kaoliang spirit are Liaoyang, Mukden and Hsinking. Kaoliang spirit has a special flavor acceptable to all the people and is much in demand.

Table 26. Production of Alcoholic Liquors in Kwantung

(Volume in koku; Value in yen)

	Production			
	Japanese sake		Chinese liquors	
	Volume	Value	Volume	Value
1932	2,983	145,000	8,286	481,842
1933	9,853	553,780	9,928	539,559
1934	16,420	1,010,670	9,792	497,529
1935	14,740	925,333	10,994	493,608
1936	12,254	725,500	12,078	518,607
1937	10,725	663,148	7,694	567,373

Spirit.—Formerly, the distilling industry in North Manchuria was carried on by small distilleries. On the establishment of a big distillery under Japan-Manchoukuo joint management in November, 1933, some of those distilleries were closed down and the rest suspended operation, with the result that the industry has been placed under smooth control.

The company referred to above is styled the Daido Alcohol Distilling Company, which was brought into being by purchasing plants owned and managed by Mr. Su Peng-chi. It is capitalized at ¥1,670,000 which is paid up. It has three plants with a total annual capacity of 40,000 koku. The Company is also planning the manufacture of an alcoholic fuel to replace gasoline for the use of motor-cars.

Saké

Many places of Manchoukuo are suited for the brewing of saké by reason of the quality of water. This industry has therefore gradually developed with the increase in the number of Japanese residents. The output of saké for 1936 amounted to 47,803 koku, valued at ¥3,425,421.

Saké imports in 1938 amounted to 3,000,000 litres valued at ¥2,284,000.

Beer

The demand for beer in Manchuria, was 2,800,000 dozens in 1937. Imports of beer, amounted to 1,213,293 dozens valued at ¥3,517,000 in 1938.

Beer brewing was carried on many years ago in Imienpo and Harbin in North Manchuria and Dairen in South Manchuria. The breweries in Dairen had long been closed down under the pressure of Japanese imports. Two breweries in North Manchuria had been the only breweries in existence in Manchuria until the Manchurian incident of 1931. Since then, the demand for beer has greatly increased due to the growth in the number of Japanese settlers.

Beer imports in 1938 amounted to 420,000 dozens of bottles valued at ¥1,199,000.

Table 27. Beer Brewery Companies in Manchoukuo

(End of May, 1938)

	Locality	Established	Authorized Capital	Annual Capacity (Bottles)
Dai-Manshu Hop Beer Brewery Co. (a)	Harbin	1934	¥2,500,000	5,000,000
Harbin Beer Brewery Co. (b)	"	1936	2,000,000	4,800,000
Tahsing " " " (c)	"	——	——	3,500,000
Manchuria " " "	Mukden	1934	2,000,000	9,600,000
Asia " " " (a)	"	1936	1,000,000	5,760,000
Oriental " " "	Harbin	1933	——	400,000
Harbin Beer Factory	"	1933	——	300,000
Total	——	——	....	29,360,000

Table 28. Alcohol Factories in Manchoukuo

(End of Mar., 1936)

Name of companies	Locality	24-hour Capacity (Hectolitres)	Name of companies	Locality	24-hour Capacity (Hectolitres)
Tatung (1st)	Harbin	16.00	Chenpien	Taheiho	8.61
" (2nd)	"	14.80	Shangkao	Harbin	6.15
" (3rd)	"	3.08	North Manchuria Sugar Mfg. Co.	Ashih-ho	8.61
Szehohsing	Hailar	3.08	Manchuria Sugar Mfg. Co.	Mukden, Hulan	8.61
Tungyung	Tungning	1.23	Total		81.25
Chunghua	Harbin	5.54			
Tahsing	"	3.08			
Tunghsing	"	2.46			

Ice

Dairen is the biggest ice consuming market in Manchuria. The Dairen Ice Manufacturing Company, which is the sole supplier to the market, has a daily productive capacity of about 200 tons. The combined capacity of ice at the other important cities are 415 tons.

Soy

In sympathy with the rapidly increasing number of Japanese residents since the foundation of the country, the soy industry has made marked developments. The output of soy was 44,253 koku in 1937. Imports of soy were valued at ¥1,564,000 in 1938.

Table 29. Production, Etc. of Soy and Miso (Bean paste) in Kwantung

		Production			
		Miso		Soy	
	No. of plants	Volume (Kwan)	Value (Yen)	Volume (Koku)	Value (Yen)
1931	16	646,691	230,725	20,950	520,633
1932	17	837,850	312,540	58,069	553,388
1933	22	953,129	338,751	39,714	923,542
1934	22	1,090,711	453,757	49,259	1,168,904
1935	24	1,357,560	495,464	52,102	1,136,847
1936	31	1,485,739	712,848	116,734	1,373,284
1937	22	982,398	345,658	44,253	961,475

Factories operating less than 5 workers excluded.

Sugar

The climate of Manchuria is suited for the cultivation of beet-root but not for sugar cane. The cultivation of beet-root was started in 1906 or 1907. The manufacture of sugar from beet-root was initiated in 1909 when a sugar mill was established at Ashiho. Since then no small number of sugar mills have been set up in both North and South Manchuria. Sugar production has shown a significant expansion, rising from 30,246 piculs in the crop year of 1933 to 194,422 piculs in the crop year of 1938.

Sugar imports in 1938 amounted to 104,500 metric tons valued at ¥17,900,000.

Table 30. Sugar Production in Manchoukuo and Kwantung

(In piculs)

	Manchuria Sugar Manufacturing Co.					
Crop Year Ending Feb.	Mukden (Former South Manchuria Sugar Mfg. Co.)	Tiehling	Harbin (Former Hulan Sugar Mfg. Co.)	Total	North Manchuria Sugar Mfg. Co., Ashiho	Grand Total
1920	23,496	——	....	23,496	21,021	44,517
1921	58,434	——	....	58,434	15,834	74,268
1922	60,075	——	....	60,075	9,282	69,357
1923	73,702	16,382	38,220	90,084	12,831	141,135
1924	52,156	23,590	40,950	75,746	43,680	160,376
1925	13,545	24,659	*40,000	38,204	27,437	*105,641
1926	50,191	47,003	....	97,194	*30,681	*127,875
1927	——	——	——	....	*11,712	* 11,712
1928	——	——	——	——	*31,941	* 31,941
1929	——	——	2,379	——	——	2,379
1930	——	——	1,830	——	——	1,830
1931	——	——	——	——	——	——
1932	——	——	——	——	——	——
1933	——	——	——	——	30,246	30,246
1934	——	——	——	——	64,536	64,536
1935	——	——	——	——	52,124	52,124
1936	——	——	——	——	68,715	68,715
1937	49,117	——	——	49,117	55,689	104,806
1938	67,403	——	58,499	125,902	68,520	194,422

Note: * Estimate. Harvest period in Manchoukuo is chiefly from November to February of the following year.

Table 31. Sugar Manufacturing Companies in Manchoukuo and Kwantung

(End of Apr., 1938)

	Factories	Capacity per 24 hour day (in M. tons)		Capital Paid-up (¥1,000)	Established	Interests
Manchuria Sugar Manufacturing Co. ...	Mukden...	Beet Sugar	500	2,500	1935	Japanese & Manchoukuoan
		Refined Sugar...	90			
	Tiehling...	Beet Sugar	500			
	Harbin ...	Beet Sugar	350			
North Manchuria Sugar Manufadturing Co. ...	Ashiho ...	Beet Sugar	400	2,000	1934	Japanese & White Russian
		Refined Sugar...	40			

Table 32. Demand and Supply of Sugar in Manchoukuo and Kwantung

(In piculs of 60 kilograms)

	Production	Import	Export	Re-export	Consumption	Consumption per capita
1928	——	1,218,204	—	....	1,218,204	3.69
1929	——	1,422,923	—	....	1,422,923	4.31
1930	——	1,360,762	—	....	1,360,762	4.04
1931	——	1,108,939	—	....	1,108,939	3.25
1932	——	1,558,139	828	172,834	1,384,477	4.01
1933	30,246	2,001,214	15	437,106	1,594,369	4.62
1934	64,536	1,548,497	16	313,838	1,299,179	3.58
1935	52,124	1,776,721	—	260,348	1,568,497	4.58
1936	68,715	3,696,968	—	1,907,069	1,858,614	5.25
1937	104,806	2,798,117	—	1,000,000*	1,902,903*	5.36
†1938	194,422	3,950,000	—	——	——	—

Note: Exclusive of cube sugar in 1932.
† Estimate.
* Re-export include sales principally to China in recent years.

Table 33. Sugar Imports of Manchoukuo and Kwantung by Kinds

(In piculs of 60 kilograms)

	Under Dutch Standard No. II	Plantation white sugar	Refined sugar	Rock sugar	Cube & loaf sugar	Total	Molasses
1926	164,585	125,016	510,607	50,104	17,115	867,427	....
1927	224,078	431,262	348,514	56,222	29,444	1,089,520	....
1928	188,643	380,461	514,486	42,254	14,320	1,140,164	....
1929	164,321	677,238	400,013	63,403	27,634	1,332,609	....
1930	211,767	346,997	685,323	45,380	19,180	1,308,647	....
1931	112,146	249,710	677,173	37,723	11,859	1,088,611	....
1932	188,951	230,879	1,090,989	47,320	....	1,558,139	44,843
1933	206,661	37,318	1,688,838	68,397	....	2,001,214	65,526
1934	176,295	7,117	1,282,761	60,797	21,527	1,548,497	34,616
1935	142,671	7,047	1,544,225	50,671	32,107	1,776,721	59,505
1936	334,526	197,831	3,070,203	58,957	35,451	3,696,968	182,791
1937	523,974	341,819	1,860,122	34,581	37,621	2,798,117	85,788
1938	1,137,050	850,000	1,710,000	200,000		3,950,000	....

Flour Milling

Flour milling is an important industry in Manchoukuo. In the year ending February, 1938 the production of wheat flour amounted to ¥29,432,000 and was exceeded in value only by the bean cake and tobacco manufacturing industries. Investment in the enterprise as at the end of 1937 was computed at ¥9,000,000. In 1937 there were 70 mills with a production capacity of 119,840 bags of 22 kilograms each a day.

Flour imports in 1938 amounted to 132,000 metric tons valued at ¥29,800,000.

Table 34. Statistics of Flour Mills

Year Ending Feb.	Flour mill		Demand and supply (in bag of 22 kg.)		
	No.	Production capacity per day	Production	Import	Consumption
1933	..	....	8,809,652	22,931,124	31,740,776
1934	..	....	7,847,689	23,695,043	31,542,732
1935	70	110,540	11,043,073	21,083,942	32,127,015
1936	..	....	23,720,796	9,536,683	32,257,479
1937	70	119,840	29,432,378	3,553,671	32,980,049
1938	..	....	....	10,900,000	....

References:

Table Nos.: 1 a & b, 2 c, 3-4 a, 5-7 d, 8 a, 9 c, 10 f, 11-12 d, 13-14 c, 15 b, 16-18 c, 19 g, 20 h, 21 a, 22-23 i, 24 c, 25 d, 26 b, 27-28 a, 29 b, 30-33 j, 34 a.

Key: a—Dept. of Industry, Manchoukuo.
b—Kwantung Bureau.
c—S. M. R. Co.
d—Dept. of Finance & Commerce, Manchoukuo.
e—Manchuria Hemp-dressing Co.
f—Man-Nichi Flax Spinning Co.
g—Manchuria Chemical Industry Co.
h—Union of Manchuria Export & Import Guild.
i—General Bank of Manchou.
j—Sugar Producers' Assn. of Japan.

CHAPTER XXII

MANUFACTURING INDUSTRIES—II

I. ELECTRIC & GAS
II. MACHINERY & ENGINEERING
III. MISCELLANEOUS

I. ELECTRIC & GAS

The generation of electricity in Manchuria has hitherto been conducted solely at coal and steam energizing plants because of the abundant supply of coal. The numerous rivers in the land have not been utilized for power generation, partly because costly dams have to be constructed to divert the rivers, which have a comparatively small volume of water due to the short rainy season. The lack of transport facilities is also a factor in the country's inability to turn to the utility of power resources.

The Manchoukuo Government, believing that the great water systems such as the Sungari, Liao, Yalu and Tumen Rivers, which rise in the Long White Mountain and the Great and Little Hsingan Mountains, are capable of utilization for the generation of an enormous volume of power, started surveys in 1934 with a view to supplying the country with abundant power at low prices on a permanent basis. The Sungari River No. 2, the Taitzeho system, the Hunkiang system and the Mutankiang system were investigated first and then surveys were conducted at other rivers. The rivers investigated were found to possess even greater potentialities for power generation than anticipated.

As many as fifty points in the new empire are now considered suitable for the operation of hydro-power plants with a maximum capacity of more than 6,000,000 kilowatts and an average output of 3,250,000 kilowatts. With rivers remaining to be investigated taken into consideration, it is believed that the hydro-power resources of the country are enormous.

In order to meet the increasing demand for power along with the execution of the five-year industrial program, the Manchoukuo Government has also worked out a five-year plan to increase the production of this power by utilizing water power resources. Realization of the production of 2,600,000 kilowatts of power at the end of 1941 is the aim. To realize this purpose, the Manchoukuo Government is placing the operation of hydraulic power plants under State management, while authorizing the Manchuria Electric Industrial Company to take charge of the operation of coal power plants and the transmission of electricity.

Construction works have already started at three points, including one on the upper reaches of the Sungari River No. 2 in Kirin Province, another on the Pinteng Lake and a third on the Yalu River. The Yalu river power plant is a joint undertaking of Manchoukuo and Chosen. The Sungari plant has as its final aim the production of 500,000 kilowatts of power, at the same time facilitating the cultivation of a total of more than 70,000 hectares of land on the lower reaches as rice fields. Its construction has been commenced at a cost of ¥83,000,000. The Pinteng Lake plant aims at producing a maximum of 30,000 kilowatts and an average of 15,000 kilowatts of power for consumption in Mutankiang and Chientao Provinces.

The maximum capacity of the Yalu River facilities is set at 1,600,000 kilowatts, and the average, 850,000 kilowatts. The first stage work has been started at cost of ¥100,000,000, calling for the establishment of facilities on the Korean side of the river for generating 640,000 kilowatts as the maximum and 360,000 kilowatts under ordinary circumstances. A part of the facilities, capable of turning out 270,000 kilowatts, will be completed in the spring of 1940. The production will be halved for consumption by the inhabitants of South Manchuria and the North Korean people.

Along with the progress of the hydro-electric power plan, the Manchuria Electric Industry Company plans the erection of a number of coal-burning power plants in Fuhsin, Fushun, etc., utilizing an abundant supply of coal, and hoping to contribute toward the development of various electro-chemical industries as well as the general factory activity.

Table 1. Electric Power Generation Potentialities of Principal River Systems

	Output: Average (kilowatts)	Output: Maximum (kilowatts)
Sungari River No. 2	850,000	1,780,000
Yalu River (including Hunkiang)	1,133,000	1,913,000
Mutankiang (including Pilteng Lake)	383,000	686,000
Luan River	393,000	772,000
Tumen River	71,000	141,000
Nonni River	209,000	335,000
Huma River	100,000	200,000
Liao River	36,000	60,000

Progress of Control of Electric Power.—In view of a steady and swift increase in the demand for electric power ever since the foundation of the country, the Government of Manchoukuo recently drew up a programme for a network of the transmission of electric current on the basis of the electric control policy. As for the generation of electricity by hydraulic power, which is the essence of the programme, the Second Sungari and Yalu are to be depended on for the realization of the first stage of the programme, the Government taking up the part relating to the Second Sungari.

The Government's scheme in regard to the utilization of the waters of the Second Sungari will spread over five years commencing with the financial year of 1937. The Government intends to spend fifty million yuan to finance the first stage of the project, of which 35 million yuan will be raised by the flotation of a State loan. According to an official announcement, a huge dam is to be erected at a point 24 kilometres upstream from the city of Kirin to conserve the waters of the river, where a power station will also be established. When this dam is completed, the world's second largest artificial lake will automatically be created there. In size, the lake will be next to the world famous Boulder Lake of 227 square miles created in the United States in October, 1936 by stemming the waters of the Colorado River.

The project is of two-fold importance, because, in addition to hydro-electric generation, an area of altogether 160,000 Japanese cho (one cho is equivalent to 2.45 acres) along the lower reaches of the river, which is now a waste land can be irrigated by the lake for cultivation of farm crops, including rice. Further, it is expected that about 10,000 Japanese farm households can be transplanted to this area for agriculture. Early in 1938 the Manchoukuo Government ordered three water wheels and three generators, costing roughly ¥7,500,000 from the Westinghouse Company. Each of the generators will generate 70,000 volt amperes. As the Sungari hydro-electric powerhouse needs five more generators before the completion of its equipment the Manchoukuo Government was negotiating with the Otto-Wolff Company on the purchase of three generators. The remaining two were to be purchased either from Japan, Europe or America after the five generators are installed. The power station planned will have a generating capacity of 180,000 K.W. of electricity during the initial stage. Power thus generated will be transmitted to Kirin, Hsinking, Ssupingkai and Harbin.

Table 2. Statistics of Power Generation

	No. of Stations	Generation capacity (k.w.)	Supply (1,000 KWH): Generated	Supply (1,000 KWH): Purchased	Supply (1,000 KWH): Total	Consumption (1,000 KWH): Sold	Sold %	Consumption (1,000 KWH): Lost*	Lost* %
1936									
1st ...	20	172,111	277,122	108,524	385,645	309,325	80.0	76,320	20.0
2nd ...	21	170,392	294,769	114,824	409,593	323,685	79.0	85,908	21.0
1937									
1st ...	34	219,019	324,363	130,484	454,848	369,334	81.0	85,513	19.0
2nd ...	41	223,452	339,300	184,024	523,324	421,817	78.6	101,508	11.4
1938									
1st ...	42	229,275	407,014	214,004	621,017	508,112	82.0	112,905	18.0
2nd ...	40	232,668	424,639	247,272	671,911	....	...	....	...

Note: "1st" & "2nd" represent first half & second halves of each year, respectively.
* Includes losses, from transmission and companies' own utilization.

Manchuria Electric Corporation

The electric light and power industry of Manchoukuo was formed into a virtual monopoly of the Government by the establishment on December 1, 1934 of the Manchuria Electric Corporation, capitalized at ¥90,000,000. The company was operating in 1938 ten power stations, one each at Dairen, Yingkow, Sian, Mutankiang, Antung, Hsinking, Harbin, Tsitsihar, Hokang and Chinhsien, all of which adopt steam power plants because of the cheap and ample supply of coal. Besides, there are three thermal power stations at Anshan, Fushun and Penhsihu, which are operated by and supply electric power to the Showa Steel Works. Their combined capacity was more than 520,000 kw. The addition of some minor power stations would boost the capacity to about 550,000 kw.

The first stage construction program of the Fuhsin Electric Generating Plant, the largest in Manchoukuo using the caloric generation method, construction work on which had been going on at a rapid pace in parallel with the construction of the Sungari, Yalu and Chingpohu generating plants, was completed in May 1939 and trials were held on June 20th. The plant which has an initial capacity of 27,000 kilowatts began supplying electric power to the Fuhsin coal mines. The completion of this power plant will reverse the channel of supply hitherto supplied from Anshan to Yingkow to Fuhsin over 154,000 volt line. By the end of 1940 the capacity of the new plant will be increased to 162,000 kilowatts which will be very close to the 200,000 kilowatts power station at Fushun.

Electric Power Consumption by Industries.—The demand of electric power has grown with giant strides. In 1937 the total consumption was 737,212,000 K.W.H. as compared with 551,605,000 K.W.H. in 1936. The following table shows the electric power consumption by industries:

Table 3. Electric Power Consumption Classified

	Light: No. of consumers (1,000)	Light: Lights installed (1,000)	Light: Consumption (1,000 KWH)	Power: No. of consumers	Power: Consumption (1,000 KWH)	Heat: No. of consumers	Heat: Consumption (1,000 KWH)	Total incl. others (1,000 KWH)
1936								
1st	256	1,885	52,119	6,560	266,461	4,848	3,126	322,159
2nd	294	2,103	45,608	7,151	285,042	5,531	2,804	338,368
1937								
1st	336	2,242	58,909	7,502	330,010	5,645	3,474	392,950
2nd	369	2,395	54,888	8,156	407,281	6,421	3,204	466,366
1938								
1st	430	2,626	68,335	9,274	487,323	7,851	4,220	560,330
2nd	495	2,879	....	....	....	....	....	....

Table 4. Electric Power Consumption Classified By Industries

(% against grand total. Index: 1st half, 1936=100)

	Textile: Index	Textile: %	Metallic: Index	Metallic: %	Machinery: Index	Machinery: %	Ceramic: Index	Ceramic: %	Chemical: Index	Chemical: %	Bean-oil: Index	Bean-oil: %
1935												
1st	8	0.9	29	11.0	49	6.4	69	4.6	33	18.8	..	..
2nd	101	7.8	73	18.0	68	5.8	59	2.6	87	28.7	57	1.2
1936												
1st	100	6.4	100	21.0	100	7.3	100	3.7	100	27.8	100	1.7
2nd	112	6.7	125	24.5	71	4.9	100	3.5	102	27.0	54	0.9
1937												
1st	128	6.4	119	20.1	74	4.4	109	3.3	112	24.9	104	1.5
2nd	132	5.5	170	23.4	96	4.5	133	3.3	112	20.3	46	0.5
1938												
1st	164	6.3	180	22.4	120	5.3	122	2.7	150	26.4	118	1.2
2nd												

	Lumbering & wood-working: Index	Lumbering & wood-working: %	Provision: Index	Provision: %	Mining: Index	Mining: %	Electric: Index	Electric: %	Total incl. others: Index	Total incl. others: %
1935										
1st	...	..	41	2.9	17	0.5	89	28.7	56	100
2nd	120	1.3	83	3.9	87	1.6	86	18.4	85	100
1936										
1st	100	0.9	100	4.5	100	1.5	100	18.1	100	100
2nd	142	1.2	154	5.7	123	1.7	109	18.3	104	100
1937										
1st	126	3.1	188	5.8	165	2.5	138	20.6	124	100
2nd	183	1.3	223	5.8	295	3.0	198	23.4	152	100
1938										
1st	160	0.9	236	5.5	374	3.4	229	24.6	180	100
2nd										

Table 5. Electric Power Consumption Classified By Industries

(Consumption in 1,000 KWH)

	Textile Industry						Metallic Industry					
	Ordinary		Contract		Total		Ordinary		Contract		Total	
	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption
1935												
1st	362	1,767	6	11,593	368	1,333	179	335	4	1,304	183	16,390
2nd	447	2,496	8	15,182	455	17,678	288	1,124	6	39,757	294	40,881
1936												
1st	443	2,839	10	14,378	453	17,217	310	744	12	55,306	324	56,050
2nd	510	3,218	12	15,997	522	19,215	339	1,562	12	54,829	351	70,449
1937												
1st	547	3,664	10	18,362	557	22,026	293	1,106	13	65,367	409	66,473
2nd	634	4,102	12	18,539	646	22,641	336	1,144	16	94,424	352	95,568
1938												
1st	699	4,594	13	23,510	712	28,104	416	1,247	16	100,131	432	101,378
2nd												

	Machinery Industry						Ceramic					
	Ordinary		Contract		Total		Ordinary		Contract		Total	
	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption
1935												
1st	485	1,276	7	8,323	492	9,599	58	728	6	6,187	64	6,915
2nd	625	2,625	10	10,597	635	13,222	44	1,341	6	4,646	50	5,987
1936												
1st	660	1,825	12	17,761	672	19,586	62	687	8	9,392	70	10,079
2nd	684	2,446	12	11,506	696	13,952	46	1,170	8	8,857	54	10,027
1937												
1st	749	2,073	17	12,430	766	14,503	68	1,115	9	9,851	77	10,966
2nd	762	2,784	16	15,686	778	18,470	58	1,735	10	11,524	68	13,259
1938												
1st	854	3,268	16	20,326	870	23,594	126	1,672	9	10,526	135	12,198
2nd												

	Chemical						Bean-oil Industry					
	Ordinary		Contract		Total		Ordinary		Contract		Total	
	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption
1935												
1st	257	1,031	13	27,133	270	28,164	...	....	..	....	...	....
2nd	204	971	11	64,089	215	65,060	84	282	5	2,374	89	2,656
1936												
1st	210	1,442	12	72,817	222	74,259	103	400	5	4,240	108	4,640
2nd	210	1,375	12	76,539	222	77,914	140	401	5	2,101	145	2,502
1937												
1st	199	1,708	16	80,898	215	82,606	135	610	5	4,356	140	4,966
2nd	213	1,967	16	80,671	229	82,638	162	496	5	1,650	167	2,146
1938												
1st	236	2,602	25	117,056	261	119,658	163	1,379	5	4,064	168	5,443
2nd												

	Lumbering & Wood working Industry						Provision					
	Ordinary		Contract		Total		Ordinary		Contract		Total	
	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption
1935												
1st	...	....	..	...	...	....	1,183	2,638	6	1,737	1,189	4,375
2nd	201	2,674	1	76	202	2,876	1,573	5,476	8	3,308	1,581	8,784
1936												
1st	229	2,174	2	218	231	2,392	1,612	6,451	11	4,538	1,623	10,589
2nd	210	3,033	2	367	212	3,400	1,828	8,334	16	8,021	1,844	16,355
1937												
1st	259	2,467	1	544	260	3,011	1,928	10,040	23	9,177	1,951	19,217
2nd	273	3,662	5	713	278	4,375	2,093	8,260	40	15,256	2,133	23,516
1938												
1st	303	3,022	5	786	308	3,808	2,530	9,241	47	15,945	2,577	25,186
2nd												

	Mining Industry						Agriculture & Aquatic Ind.					
	Ordinary		Contract		Total		Ordinary		Contract		Total	
	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption
1935												
1st	12	19	2	673	14	692	21	23	1	456	22	479
2nd	36	176	4	3,388	40	3,564	16	25	..	493	..	518
1936												
1st	40	195	6	3,900	46	4,095	27	71	1	639	28	710
2nd	44	101	7	4,965	51	5,066	21	415	..	816	..	1,231
1937												
1st	19	268	12	6,511	31	6,779	64	256	2	549	66	805
2nd	17	300	15	11,823	32	12,123	43	489	..	674	..	1,163
1938												
1st	17	156	16	15,115	33	15,271	137	364	2	523	139	887
2nd												

	Printing & Bookbinding Ordinary		Electric Ind. Contract		Total incl. Others					
					Ordinary		Contract		Total	
	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption	Consumers	Consumption
1935										
1st	...	...	23	42,910	5,790	20,276	115	129,164	5,905	149,440
2nd	362	572	23	41,618	6,134	25,589	120	200,439	6,254	226,028
1936										
1st	374	636	24	48,334	6,404	25,895	156	240,826	6,560	266,721
2nd	391	721	24	52,728	6,983	30,983	168	254,675	7,151	285,668
1937										
1st	402	826	23	67,109	7,297	33,448	205	297,211	7,502	330,659
2nd	415	848	24	95,783	7,899	35,344	257	372,627	8,156	407,971
1938										
1st	456	909	20	110,993	8,982	37,709	292	449,860	9,274	477,569
2nd										

Electric Equipments.—The extension length of transmission lines in 1936 was 22,739 kilometers. There were in all 199 transformer substations. Total transformer capacity for the year was 585,341 K.V.A.

Electric Power Projects.—Grandiose projects for increasing electric power generation have been made by the Manchoukuo Government. It is estimated that a total of 2,450,000 k.w. of electric power can be generated by the end of the 5-Year Plan in 1941. According to these projects the rivers and Chingpai lake will yield 1,090,000 k.w. of hydro-electric power, while thermal electric plants will account for 1,361,000 k.w.

According to an official report the generation of thermal power electricity in 1938 reached 94% of the amount prescribed for that year in the Five Year Plan.

Table 6. Subsidiary Companies of the Manchuria Electric Co.

(June, 1939)

Co.	Capital (M¥)	Total Shares	Held by the Manchuria Electric Co.	
				%
Wafangtien Electric Light Company	200,000	4,000	2,200	55.0
Tashihchiao Electric Light Company	300,000	6,000	3,150	52.5
Kaiyuan Electric Company	500,000	10,000	5,020	50.2
Tatung ” ”	2,000,000	40,000	21,750	54.5
Chengchiatun ”	300,000	6,000	3,734	62.0
Tunhua ” ”	1,000,000	20,000	17,858	90.0
Peian ” ”	1,000,000	20,000	18,608	93.0
Ilan ” ”	90,000	1,800	1,300	72.0
Tsienkouchi ” ”	100,000	2,000	1,386	69.5
Manchouri ” ”	140,000	2,800	1,400	50.0
North Chosen Associated Electric Company ..	17,750,000	355,000	25,980	69.0
Manchuria Electric Chemical Industrial Co. ..	30,000,000	600,000	200,000	33.3

Gas Industry

The gas industry was initiated in Manchuria by the South Manchuria Railway Company in 1910 when the Company started supplying gas to the public by establishing a furnace with a daily capacity of 300,000 cubic feet and also a gas tank of a 150,000 cubic feet capacity. In

1925 the Company set up branch plants at Mukden, Anshan and Hsinking. Simultaneously with this the gas works of the Company was reorganized into the South Manchuria Gas Company, capitalized at ¥10,000,000 which is fully paid up.

The Fushun Colliery has its own gas producing plant, and also is supplying the public. Gas production in 1937 amounted to 1,543 million cubic feet.

Table 7. Statistics of Gas Industry

Year Ending Mar. 31:	No. of Cos.	No. of Factories	Daily Capacity (cubic m.)	Annual Production (1,000 cubic meters)	Tank No.	Tank Capacity	Extension Length of Pipe (kilometers) Main pipe	Conducting pipe	Indoor pipe
1933	2	6	86,158	....	10	71,386	525	467	537
1934	2	6	86,200	23,445	10	81,200	567	521	756
1935	2	6	105,200	29,504	11	86,383	627	622	640
1936	2	6	114,900	32,982	11	86,872	704	689	682
1937	2	6	130,200	37,589	12	85,700	711	787	745
1938	2	6	124,600	29,445	12	86,700	...	...	...

	No. of Customers	No. of Nozzles	Total Supply (1,000 cubic m.)	Raw materials Consumed Coal (m. tons)	Coke (m. tons)	By-Products Coke (m. tons)	Tar (Kilolitres)	Ammonia (m. tons)
1933	42,809	113,575	15,274	....	....	19,599	1,897	145
1934	46,622	122,631	18,924	41,377	20,291	33,658	2,854	113
1935	55,297	142,945	22,925	59,756	7,648	38,271	2,900	124
1936	63,494	163,897	26,755	71,351	9,227	46,270	3,346	135
1937	71,146	181,835	29,946	76,830	9,648	49,509	3,263	169
1938	67,135	201,208	27,930	64,700	....	41,743	2,056	...

II. MACHINERY & ENGINEERING

Metals

Metallic Magnesia.—There are inexhaustible resources of magnesite in the neighbourhood of Tashichiao. The industries for its utilization have, therefore, a very bright future. At present there are three branches of this industry, viz., (1) Manufacture of fire-proof things, (2) manufacture of building materials and (3) manufacture of metallic magnesia. The first two are undertaken by the South Manchuria Mining Company, which was established in 1918 with a capital of ¥600,000. The last, or the manufacture of metallic magnesia is carried on by the Japan-Manchoukuo Magnesium Company, which was jointly established in 1919 by the South Manchuria Railway Company, the Sumitomo interests and the Rikagaku Kenkyusho (Physical and Chemical Institute) and other organizations. It is capitalized at ¥7,000,000, of which ¥3,500,000 was paid-up in 1937. The newly founded company, whose plant with an annual productive capacity of 350 metric tons is situated at Ube City, Yamaguchi Prefecture, intends to be a large factor in supplying metallic magnesia to Japan by acquiring raw materials from Manchoukuo. As the first step towards that end, the Naoetsu plant of the Rikagaku Kenkyusho with an annual productive capacity of 150 metric tons was purchased by the Company.

Aluminium.—Aluminium manufacturing in Manchoukuo holds out bright prospects. Raw materials for the manufacture of aluminium, particularly alumina shale, have been found in fairly large quantities at Fuchow, Yentai, Chinchou, Penhsihu and in other districts.

There are two aluminium companies in Manchoukuo. One of them is the Japan-Manchoukuo Aluminium Company, which was established in October, 1933 with a capital of ¥10,000,000 of which ¥7,500,000 was paid-up in 1937. The other is the Manchuria Light Metal Manufacturing Company, which was established in Nov., 1936. It is capitalized at M¥25,000,000, of which ¥6,250,000 was paid-up in 1937. M¥10,000,000, is taken up by the Manchoukuo Government M¥14,000,000 by the South Manchuria Railway Company and M¥500,000 by the Sumitomo Company and M¥40,000 by the Japan Electric Industry Company and M¥50,000 each by the Japan Soda Manufacturing Company and the Japan-Manchoukuo Aluminium Company. The new company is established at Fushun, and is expected to turn out 4,000 tons of aluminium a year.

The plan for expansion of aluminium output, as drafted by the Manchoukuo government in 1937 follows;

About 60 per cent. of the production cost will be spent for electric power, which will be supplied by the projected national hydraulic electric power station, to be established on the upper reaches of the Second Sungari. The Government is planning to erect a second aluminium manufacturing plant in Kirin, capable of producing 16,000 tons of aluminium annually, besides the factory at Fushun producing 4,000 tons.

As bauxite, raw material of aluminium, is mined near Yentai, alumina will be produced at the Fushun factory, which will be sent to Kirin, where aluminium will be produced at the projected plant. It is estimated that 2 tons of alumina will be produced from 8 tons of bauxite and 1 ton of aluminium from 2 tons of alumina.

Machinery and Tool Industry

With the launching of the industrial programmes in Manchoukuo there has been a growing demand for machine tools. Several companies are under consideration to be established in the country, while those already organized are operating at full capacity. It seems, however, that for many years to come the country must rely on foreign imports of machine tools to meet the heavy domestic demand. The largest suppliers of machine tools have been the United States and Germany.

Among the large purchasers of machine tools are the South Manchuria Railway Company and the Showa Steel Works. The South Manchuria Railway Company imports yearly a large amount of heavy machine tools such as big lathes, drilling machines, hydraulic hammers and presses for keeping in repair its rolling stock and other equipment. The soya bean oil industry also is requiring amounts of fabricating machinery for converting steel plate into storage tanks. The chemical and mining industry will not only require ore and more tools and machinery for direct working of those industries, but also more tools and machinery for the repairs and upkeep of the chemical and mining machinery.

The Showa Steel Works has a four year production plan whereby present output of pig iron will be considerably increased. Since pig iron is a good barometer of industrial affairs of a country the implication is that Manchoukuo will need increasing quantities of machine tools and machinery for working up into fabricated products in metal raw materials.

Imports from the United States of plain steel and metal materials are increasing and this implies imports of larger quantities of machinery to work into shapes The Manchurians generally are acquiring the industrial attributes of modern civilization rapidly. At first using chiefly light steel for roofs and sidings of houses, they are rapidly using more forms of heavy steel, such as structurals, for modern hospitals and office buildings. The increase use of heavy steel implies a greater use of heavy machinery for manufacture into articles of usefulness.

The building of good roads are under way and their expansion will take large quantities of road building machinery. More and more machines will be needed at the port of Dairen for unloading ships and for keeping ships in repair.

The principal machinery establishments in Manchuria are the following:

The South Manchuria Railway Works.—The South Manchuria Railway Works which has for its object the manufacturing, assembling and repairing of vehicles, was established in Shakako in 1908 and opened to business in 1911. The works, which cover an area of 600,000 tsubo, are provided with water works of their own and consists of 70 blocks with an area of 19,000 tsubo. They have a capacity of accommodating 27 locomotives, 36 coaches, and 130 goods cars at the same time.

The Dairen Machinery Works.—The Dairen Machinery Works was established in 1918 with a capital of ¥2,000,000 with the object of executing orders placed with the South Manchuria Railway Company. The company has since so much developed that its capacity is now about ten times the scope at the time of the establishment. The list of its specialities consist of rolling stocks, iron bridges, machinery, pipes for the use of water works, bean-oil manufacturing machines, rollers for road construction and improvement, machines for generating oxygen gas, electric cars, the bodies of automobiles, etc. The market for these articles is so extensive that the Company figures prominently among the Japanese enterprises in Manchuria. The capital of the company in 1938 amounted to ¥10,000,000 of which ¥8,000,000 was paid up.

The Mukden Arms Manufactory.—The Mukden Arms Manufactory was established in 1932 with a capital of ¥2,000,000 in the form of a joint-stock corporate. The capital was taken up by the Mitsui Bussan Kaisha and the Okura Shoji Kaisha. It is engaged in the manufacture of arms and ammunitions, gunpowder and its materials, and the manufacture and repair of various machines and tools. The total capital (fully paid up) amounted to ¥4,600,000 at the end of 1938.

Anshan Steel Material Company.—It was for the purpose of meeting a swift increase in the demand for rails in Manchuria that the Anshan Steel Material Company was brought into being in July, 1932 by men interested in the Nippon Rail Company. It was organized with a capital of ¥5,000,000, of which ¥3,000,000 is paid up. Furnished by the Showa Steel Works with steel ingots and slabs, the Company is engaged in the manufacture of trucks for light railways to the estimated amount of 3,000 metric tons.

The Manchu Manufactory.—The Manchou Manufactory was established in 1934 with a capital of ¥1,500,000 (fully paid up) by purchasing the former Tafeng Iron Works at Mukden. It has for its object the manufacture of casting in general vehicles and machinery and tools. It is expected to show developments in the circles of the iron industry of Manchuria by meeting the requirements for rolling stocks and machines and tools for water works and gas heaters. The capital of the Co. in 1938 was ¥20,000,000 of which ¥8,600,000 is paid up.

The Manchu Sumitomo Steel Pipe Company.—The Company was established in September, 1934 with a capital of ¥10,000,000 fully paid up. With its plant set up within the compound of the Showa Steel Works, the Company intends to manufacture high grades of steel pipes with materials supplied by the Showa Steel Works.

Table 8. Imports of Machinery and Tools, Vehicles and Vessels

(In M¥1,000)

	1933	1934	1935	1936	1937	1938
Machinery & Tools:						
Agricultural Machinery, Tools and Implements, and parts thereof	122	158	606	987	2,306	3,939
Motors, Dynamos or Generators	590	2,584	1,621	2,702	3,347	7,960
Transformers	259	1,049	1,038	1,587	2,444	4,807
Pumps, and parts thereof	581	961	860	1,261	2,310	8,370
Machines, Sewing, Knitting, and Embroidering, and parts thereof	395	419	1,121	629	981	930
Machinery, Textile and parts thereof	270	518	1,549	809	1,073	...
Office or Sales Machines, and parts thereof	300	261	349	560	1,489	...
Prime Movers, and parts thereof	904	1,928	2,002	2,623	4,746	*185
Hand Tools	801	1,672	1,901	2,185	3,232	5,563
Vehicles & Vessels:						
Aeroplanes, Hydroplanes, and all other Flying Machines, and parts thereof	1,882	728	1,373	881	1,682	...
Locomotives and Tenders	2,110	7,684	11,429	11,839	11,079	74,594
Railway and Tramway Carriages or Wagons	1,814	3,088	1,068	1,237	972	
Railway or Tramway Materials	6,381	8,678	12,978	12,668	11,282	
Vehicles, and parts thereof	128	299	1,021	680	1,618	...
Motor Trucks and Buses (incl. Chassis)	4,316	3,030	3,048	3,722	6,494	...
Other Cars (incl. Chassis)	2,435	3,278	2,648	2,748	3,943	...
Parts of Motor-Cars and Motor Tractors (excl. of Tyres and Tubes)	1,557	1,865	2,645	3,099	6,242	...
Bicycles	104	151	181	166	144	596
Bicycles parts and accessories	994	1,356	2,895	2,018	2,309	5,288
Motor-cycles	93	98	149	113	160	...
Total incl. others	321,243	59,002	74,457	78,468	112,307	184,454

Note: * Exclusive of internal combustion and steam engines.

Motor Car Industry

For several years past projects were launched for the establishment of a motor car industry in Manchuria, but the actual stage of production had not yet been reached in 1939. Whatever progress that had been witnessed was centered in the assembling of automobiles from imported parts by the Dowa Automobile Company which was established in March, 1933 with a capitalization of ¥6,200,000, invested in by the Manchoukuo government, the South Manchuria Railway Company and by the leading motor car manufacturers in Japan. In the spring of 1939 this company was merged into the newly established Manchuria Automobile Company, capitalized at ¥100,000,000 fully subscribed by the Manchuria Industrial Development Corporation. The new company will virtually monopolize the motor car industry in Manchuria, and a large plant will be erected at Antung. Mr. Soji Yamamoto, president of newly-formed Manchuria Automobile Manufacturing Company, was for many years identified with the Nissan Motor Car Company, of Japan, manufacturers of Nissan passenger cars and trucks and the light pasenger cars and vans known as Datsun and "Nissan." With a view to obtaining necessary materials for the erection of the new plant Mr. Yamamoto visited the Union States in the summer of 1939. According to Mr. Yamamoto the new auto plant under consideration will give employment to 100,000 workers, many of whom will be recruited from Japan,

Aircraft Industry

The first steps towards the establishment of an aircraft industry in Manchoukuo were taken on June 18, 1938 by the formation of the Manchuria Aircraft Manufacturing Company, capitalized at M¥20,000,000 invested in entirely by the Manchuria Industrial Development Corporation. The company, which is a special corporation registered with the Manchoukuo Government, comprises a motor manufacturing and body manufacturing departments. The existing Manchuria Air Transport Company's own plant was merged to create the motor department, and a body building factory will be established on an area of 150,000 to 200,000 tsubo near Huangkutun in Fengtien Province.

Shipbuilding

The shipbuilding industry, still in an infant stage of development, is centered at Dairen. Two 3,000 ton freighters were expected to be completed in 1940 at the Dairen Dockyards to the order of the Dairen Kisen Kaisha. It is the first time that vessels of this size is under construction in Manchuria.

Munitions

There are eight plants in Manchuria connected with the manufacture of various munitions. With the object of preventing the leakage of military secrets the Government of Manchoukuo promulgated in 1939 a series of regulations to govern the newly-created Munitions Supervision Commission. The eight companies designated as munitions plants by the Government are the following: the Mukden Arsenal, the Manchuria Aircraft Manufacturing Company, the Dowa Motorcar Manufacturing Company, the Manchuria Machine and Implements Company, the Manchuria Arsenals, the Manchou-Mongol Woollen Manufacturing Company, the Showa Steel Works and the Penhsihu Iron Collieries.

III. MISCELLANEOUS

Tobacco

In its early stages of development the tobacco industry in Manchuria was dominated by Russian and British capital, the Russian interests being represented by I. I. Tschurin & Company and A. Lopato Sons Limited, and the British interests by the British-American Tobacco Company. Since the establishment of Manchoukuo the Japanese-owned Toa Tobacco Company has increased its influence in the country.

The demand for cigarettes is yearly expanding and is now represented by over 13,000,000,000 pieces annually. The imports of cigarettes in 1938 amounted to M¥929,000 and leaf tobacco M¥7,725,000, representing 11,972,000 kilograms. Total tobacco imports were valued at ¥9,129,000 in 1938.

With a view to assisting in the foreign trade balance of Manchoukuo, the imports of tobacco from countries outside of the yen bloc have been restricted since 1938. Most of the imports are now obtained from North China.

Principal tobacco companies in Manchuria are the following:

I. I. Tschurin & Co.—This company was originally started as a petty firm in Nikolsk in 1867. It steadily developed with years. Since the Russian Revolution, Harbin has been the centre of the activity of the Company. There were days when it exerted so much influence as to mar the invasion of the Anglo-American Trust and the Toa Tobacco Company.

Chi Tung Tobacco Company.—The Chi Tung Tobacco Company is a Manchoukuo corporation organized under Manchoukuo laws and capitalized at 52,325,000 yuan. This Company is a subsidiary of the British-American Tobacco Company whose Far Eastern headquarters are located in Shanghai. The head office of the Chi Tung Tobacco Company as well as its factory are located in Mukden. It has another factory under construction in Yingkow which was expected to be in operation during 1939.

A. Lopato Sons Ltd.—Until 1913 it was a small-scale factory under Russian management. In that year it obtained from the Anglo-American Tobacco Company financial assistance to the extent of ¥8,000,000 which enabled it to effect readjustment and recover its lost strength and rise to a position of importance in the zone of the former C. E. R. The Company is also a Manchoukuo corporation organized under Manchoukuo law and is located in Harbin where it has its factory. Its capitalization in 1937 was 3,500,000 yuan.

Toa Tobacco Company.—The Company is capitalized at ¥11,500,000, fully paid-up. With its head office in Tokyo, the Company has factories in Mukden, Dairen, Yingkow and Tientsin and marketing offices in Tientsin and Dairen. It produces 10,000 pieces of cigarettes a day and also a considerable amount of cut tobacco and supplies them to Manchuria and North China.

Manchu Tobacco Company.—The Company

was founded in Tokyo in January, 1925. It is capitalized at ¥12,000,000, of which ¥4,800,000 is paid-up. Its Hsinking factory has been completed. There is a plan afoot for the establishment of an additional factory at Harbin.

In the first year of the five-year plan, or in 1937, leaf tobacco production amounted to 3,192 metric tons from a crop area of 2,390 chobu, showing an increase of 222 tons with 140 chobu as against the plan. Under the revised five-year plan, tobacco production in 1938 was to be increased to 5,500 tons on an area of some 4,500 chobu. Government appropriations for tobacco production in 1938 was ¥2,500,000 as compared with ¥800,000 in 1937.

Table 9. Imports of Tobacco Classified

	Cigarettes		Cigars		Leaf tobacco		Prepared tobacco		Total value incl. others
	Pieces (1,000)	(¥1,000)	Pieces (1,000)	(¥1,000)	(m. tons)	(¥1,000)	(m. tons)	(¥1,000)	(¥1,000)
1933 ……	591,343	1,734	382	31	15,396	9,503	34	31	11,476
1934 ……	843,364	2,679	968	72	17,200	8,558	152	119	11,664
1935 ……	598,473	1,934	372	41	9,700	6,067	119	87	8,327
1936 ……	360,985	1,202	197	24	15,180	8,848	116	84	10,585
1937 ……	456,027	1,419	200	26	12,880	7,597	74	50	9,617
1938 ……	720,678	1,247	55	2	12,378	7,739	4,039*	418	9,427

Note: Inclusive of stalk and dust.

Hide and Leather Industry

This line of industry has not yet made noticeable developments in Manchuria. Cow hides are not only inferior in quality but quite limited in production. The only sign of activity shown by this industry is that about 200,000 pieces of horse hide are yearly exported to Japan. There is only one company of considerable size manufacturing hides and leather, namely, the Japanese-Manchu Hide and Leather Industrial Company. It is capitalized at ¥3,000,000 one-fourth of which is paid-up.

Imports of hides and skins in 1938 amounted to 1,577,000 kilograms valued at ¥1,834,000. Exports of hides and leather amounted to 737,883 kilograms valued at ¥1,208,000 in the same year.

Table 10. Export of Hide, Leather and Skins

(Quantity in 1,000 pieces, Value in ¥1,000)

	Hide & Leather				Skins dressed or undressed					
	Cow		Ass, Horse, Mule		Dog		Fox		Goat	
	(m. tons)	Value	(m. tons)	Value	Qty.	Vol.	Qty.	Vol.	Qty.	Vol.
1933 …….	264	155	1,180	1,026	566	677	15	122	121	95
1934 …….	110	61	876	701	65	92	14	149	138	98
1935 …….	37	22	1,122	877	155	643	7	49	361	260
1936 …….	65	42	830	607	347	1,074	11	122	620	351
1937 …….	51	27	840	631	309	928	9	169	357	334
1938 …….	15	17	701	1,146	59	398	3	63	514	1,151

	Lamb & kid		Kolinsky		Marmot		Racoon		Squirrel		Total incl. others
	Qty.	Vol.	Qty.	Vol.	Qty.	Vol.	Qty.	Vol.	Qty.	Qty.	Value
1933 ……	50	45	280	419	46	33	6	35	132	94	3,157
1934 ……	46	28	500	679	199	153	12	76	195	86	2,687
1935 ……	106	98	943	474	170	183	10	94	121	90	4,134
1936 ……	301	155	467	1,771	56	98	12	289	56	55	5,785
1937 ……	205	113	213	1,301	69	168	9	134	51	29	5,368
1938 ……	121	129	347	2,296	28	106	12	134	..	..	6,206

References:

Table Nos.: 1-6 a, 7 b, 8-10 c.
Key: a—Manchuria Electric Co.
b—Kwantung Bureau.
c—Dept. of Finance & Commerce.

CHAPTER XXIII

FOREIGN TRADE

The foreign trade of Manchoukuo has increased with a phenomenal stride as is characteristic of countries newly opened to development. In 1938 exports and imports combined amounted to 2,000.2 million yuan. The trend of the past few years may be observed from the following table:

Table 1. Foreign Trade of Manchoukuo

(M¥1,000)

	Export	Index	Import	Index	Total	Index	% against Total	
							Export %	Import %
1926 ……….	566,770	100	421,992	100	988,768	100	57	43
1927 ……….	626,002		409,245		1,035,248		60	40
1928 ……….	668,678		459,946		1,128,624		59	41
1929 ……….	659,682		502,948		1,162,630		57	43
1930 ……….	608,384		462,733		1,071,157		62	38
1931 ……….	739,272	118	341,600	76	1,080,871	100	68	32
1932 ……….	618,157	99	337,673	75	955,830	89	67	33
1933 ……….	448,478	72	515,832	114	964,310	90	47	43
1934 ……….	448,427	72	539,562	120	1,041,989	97	43	57
1935 ……….	421,078	67	604,149	134	1,025,227	95	41	59
1936 ……….	602,759	96	691,889	154	1,294,648	120	42	58
1937 ……….	645,298	103	887,412	197	1,532,709	142	43	57
1938 ……….	725,454	116	1,274,748	280	2,000,202	186	36	64
1937 (1st half) …………….	358,272	—	407,765	—	766,037	—	42	58
1938 (1st half) …………….	404,022	—	557,576	—	961,598	—	42	58
1939 (1st half) …………….	497,616	—	760,887	—	1,258,502	—	40	60

Note: The statistics of foreign trade of Manchoukuo includes those of the Kwantung Leased Territory from 1932.

Manchoukuo's exports are overwhelmingly agricultural in nature. Soya beans, bean oil and bean-cake have represented about half of the country's total exports in recent years. In 1938 these products accounted for some 318.9 million yuan of a total export valued at 725.5 million yuan.

The country's imports are mostly manufactured articles. Such items as cotton goods, gunny bags for grain packing, iron and other metal goods as well as certain provisions loom large in her foreign purchases.

The significant growth of foreign trade to its present stature may be ascribed largely to heavy immigration and to extensive capital investments.

Table 2. Value Percentage of Exports & Imports of Merchandise By Countries and by Categories

(A) EXPORTS

To:	Year	Foodstuff Beverage, Prepared Tobacco	Raw Materials	Raw Materials for further Manufacturing	Wholly or Mainly Manufactured Goods	Grand Total of Exports
Japan ………	1935 …………	46.13	39.36	57.36	46.80	45.65
	1936 …………	34.49	37.59	60.44	46.31	43.66
	1937 …………	42.48	41.59	61.20	36.70	47.74
Chosen…………	1935 …………	31.05	6.78	4.23	10.72	8.04
	1936 …………	37.11	5.97	4.11	7.31	8.79
	1937 …………	29.94	5.27	3.57	13.46	7.12
China ………	1935 …………	14.01	8.90	13.11	38.16	11.27
	1936 …………	25.16	8.70	11.90	43.15	12.11
	1937 …………	23.32	4.07	9.08	38.35	7.12
Great Britain ..	1935 …………	0.28	8.68	3.33	0.01	6.17
	1936 …………	0.33	7.42	2.61	0	5.20
	1937 …………	0.44	1.85	1.70	0.68	1.64

(Continued)

	Year	Foodstuff Beverage, Prepared Tobacco	Raw Materials	Raw Materials for further Manufacturing	Wholly or Mainly Manufactured Goods	Grand Total of Exports
Germany	1935	3.68	10.83	5.44	0	8.35
	1936	1.23	12.79	6.25	—	9.49
	1937	2.33	14.70	5.60	—	10.48
Italy	1935	0.04	1.65	0.01	—	0.99
	1936	0.06	—	0.01	—	0.07
	1937	—	0.78	0.05	0	0.47
U. S. A.	1935	1.11	3.22	6.46	0.90	3.93
	1936	0.38	1.71	7.42	0.15	3.07
	1937	0.05	1.46	8.03	1.10	3.30

(B) IMPORTS

From:	Year	Foodstuff Beverage, Prepared Tobacco	Raw Materials	Raw Materials for further Manufacturing	Wholly or Mainly Manufactured Goods	Grand Total of Imports
Japan	1935	59.41	33.76	65.20	84.43	71.88
	1936	57.36	34.04	73.25	85.73	73.33
	1937	63.82	20.91	62.60	83.37	70.69
Chosen	1935	7.45	6.75	1.89	2.09	3.69
	1936	7.81	5.01	3.26	2.61	3.95
	1937	10.80	5.37	2.82	3.28	4.40
China	1935	6.20	14.24	5.12	3.50	5.32
	1936	12.86	17.69	3.76	3.58	6.89
	1937	9.26	13.62	2.05	2.48	4.42
Hongkong	1935	1.08	0.96	0.64	0.11	0.19
	1936	2.64	1.13	0.76	0.07	0.72
	1937	1.86	0.90	0.81	0.05	0.50
British India	1935	1.71	20.35	0.30	3.26	3.95
	1936	1.26	21.62	0.30	2.41	4.08
	1937	1.98	29.39	0.37	3.08	5.10
Great Britain	1935	1.49	0.34	3.14	1.38	1.57
	1936	1.10	0.20	2.23	0.99	1.07
	1937	1.06	0.20	2.33	1.16	1.25
Germany	1935	0.12	0.09	7.76	2.20	2.43
	1936	0.08	0.22	4.67	2.13	1.88
	1937	0.03	0.06	4.28	1.97	1.95
Italy	1935	0.03	2.19	0.02	0.04	0.23
	1936	0.04	1.86	0.04	0.02	0.23
	1937	0.05	0.68	0.10	0.03	0.12
U. S. A.	1935	0.72	16.28	1.67	1.94	4.13
	1936	0.69	13.66	6.29	1.67	3.43
	1937	0.95	20.26	14.25	2.89	6.53
Australia	1935	16.51	0.38	0	0	3.35
	1936	7.36	0.28	0.03	0	1.28
	1937	1.38	1.11	0.13	0	0.02

A prominent recent trend in the nature of Manchoukuo's imports is the increasing ratio which the so-called production goods have in comparison with consumption goods. This trend is to be attributed largely to the policy of the government to develop the various industries of the country in conjunction with the 5 Year Plan. In 1932, production goods imports constituted 22.3 per cent of total imports while purchases of consumption goods amounted to 77.7 per cent of total imports. In 1937 the imports of production goods rose to 39.4 per cent while consumption goods fell to 60.6 per cent. This trend remained unchanged in 1938 and 1939.

Trade by Countries.—Certain significant changes in the relative apportionment of Manchoukuo's trade with foreign countries are noticeable in the figures for recent years. The most prominent feature is the growing importance of Japan. In 1938 imports from Japan aggregated 936.3 million yuan representing 73.4 per cent of total imports. Exports to Japan in 1938 amounted to 367.7 million yuan, representing 50.7 per cent of total exports. Japan's share becomes larger if the exports and imports of Chosen are included.

The next largest customer of Manchoukuo was China, the foreign trade with which country amounted to 192 million yuan in 1938, consisting of 121.6 million yuan in exports and 70.7 million yuan in imports.

Germany was in fourth place as Manchoukuo's largest customer in 1938 with total transactions amounting to 87.7 million yuan, consisting of 50.4 million yuan in exports and 37.3 million yuan in imports.

The United States was in third place with 104 million yuan consisting of 11.4 million yuan in exports and 93.1 million yuan in imports.

Table 3. Manchoukuo's Foreign Trade Classified by Principal Countries

(Unit: M¥1,000)

	Japan		China		U.S.S.R.		Hongkong	
	Export	Import	Export	Import	Export	Import	Export	Import
1933	203,308	339,762	55,258	79,821	12,918	7,568	6,214	8,006
1934	318,675	408,601	65,694	57,595	8,423	4,876	6,849	3,597
1935	217,292	456,675	65,353	31,993	4,662	1,168	7,528	2,759
1936	280,904	534,630	128,603	47,685	1,585	261	8,732	4,987
1937	321,615	666,266	113,560	39,328	146	701	8,419	4,411
1938	416,825	933,413	121,683	70,716	29	32	3,902	1,378
1938 (Jan.-June)	237,757	424,050	62,338	17,096	21	15	3,034	967
1939 (")	298,365	617,333	99,313	36,014	4	5	270	302

	British India		D. E. I.		Great Britain		France	
	Export	Import	Export	Import	Export	Import	Export	Import
1933	1,080	14,703	4,045	3,324	8,793	7,190	2,546	779
1934	646	23,944	1,710	6,695	16,218	8,316	2,921	565
1935	2,701	23,821	701	5,062	24,221	9,482	3,570	463
1936	1,691	28,224	1,478	6,859	27,521	7,419	4,837	789
1937	132	45,223	1,266	8,948	9,322	11,127	1,268	3,367
1938	46	30,603	297	933	5,447	7,376	1,512	5,067
1938 (Jan.-June)	42	16,039	154	552	3,266	3,837	871	3,928
1939 (")	20	14,441	91	807	1,890	2,901	534	1,066

	Germany		Belgium		Netherlands		Italy	
	Export	Import	Export	Import	Export	Import	Export	Import
1933	66,357	10,577	281	1,291	5,910	427	1,847	459
1934	53,310	12,486	1,190	704	8,073	388	4,303	702
1935	32,799	14,742	1,148	1,511	10,075	815	3,864	1,357
1936	50,278	13,025	953	1,019	7,072	631	383	1,624
1937	59,051	17,278	1,273	3,990	16,570	1,530	2,644	1,064
1938	50,396	37,304	983	4,482	8,001	799	3,457	2,393
1938 (Jan.-June)	26,130	15,165	322	2,227	6,214	480	1,683	149
1939 (")	38,512	28,268	205	578	1,245	165	6,582	1,519

	U. S. A.		Australia		Total incl. Others		
	Export	Import	Export	Import	Export	Import	Total
1933	7,536	28,962	14	5,832	448,478	515,832	964,310
1934	5,966	35,227	16	20,917	448,427	593,562	1,041,989
1935	15,596	24,936	37	20,222	421,078	604,149	1,025,227
1936	16,353	23,735	72	8,886	602,759	691,830	1,294,648
1937	18,674	57,923	131	3,069	645,298	887,412	1,532,709
1938	11,360	93,070	...	...	725,454	1,274,748	2,000,203
1938 (Jan.-June)	7,961	58,416	107	1,913	404,022	557,576	961,598
1939 (")	8,547	42,641	90	332	497,616	760,887	1,258,502

Foreign Trade in 1938

The foreign trade of Manchoukuo continued to expand in 1938, the total exports aggregating 725 million yuan and imports 1,274 million yuan. As compared with 1937, an advance of 7% in exports and of 42% in imports was registered, with a consequent sharp increase in the adverse balance of trade which amounted to 548 million yuan as against 242 million yuan in 1937.

A heavy increase in imports of Japanese goods, especially of construction materials, and of Chinese tobacco leaf and cotton constitute the main reason for the marked increase in imports. Manchurian exports to countries outside the yen-bloc decreased by 26 million yuan, whilst imports from the same source increased by 30 million yuan. The trade balance with these countries, therefore, was adverse to the extent of 30 million yuan compared with an export surplus of 29 million yuan in the previous year. The increase in imports was most marked from the United States and Germany.

Control in foreign trade was made stricter, kaoliang, wheat and wheat flour, rice, bristles, and some twenty other articles having been added to the list of controlled commodities. As regards exchange control, the yuan continued to be linked with sterling at 1s. 2d, and the rate to the U.S. dollar was made dependent upon the cross rate New York-London. The concentration of exchange control with the Exchange Bureau in the Central Bank eliminated the difficulties caused by the division of authority between Manchoukuo and the Kwantung Province.

Principal Exports and Imports

Exports.—Soya beans constituted in 1938 the most important export article, representing 32% of the total export value, and 44% if other varieties of beans and derivates are included. The most important customer for beans was Japan, followed by Egypt and Germany. In bean cakes and oil, Japanese imports concentrated on cake whilst European countries such as Germany, the Netherlands and Great Britain mostly bought oil.

Other oil-yielding materials—ground nuts and seed—were also important.

Imports.—Imports were conspicuously less one-sided, consisting of a multitude of articles among which textile goods were the most important. Japanese goods practically monopolized the market for cotton, silk, and woollen piece-goods, cotton and rayon yarn, etc. The heavy increase of raw cotton imports must be considered a sign of the growing industrialization of Manchoukuo.

There was a heavy increase in the import of construction materials. The import of iron and steel rose from 76.4 million yuan in 1937 to 122.1 million yuan in 1938.

Table 4. Volume of Principal Articles Exported & Imported

(A) Exports

Articles	Unit	1934	1935	1936	1937	1938 (Metric tons)
Bristles	1,000 piculs	28	13	16	14	558
Hair of other Animals	”	....	....	38	38	495
Hides and Leather	”	....	....	15	15	727
Soya Beans	”	41,308	29,203	32,539	32,642	2,164,869
Other Beans	”	2,161	2,647	2,369	1,862	127,769
Bran, Wheat	”	....	....	1,436	2,290	97,222
Buckwheat	”	855	444	473	491	27,337
Kaoliang	”	3,333	1,186	3,075	2,098	216,191
Maize	”	2,056	549	1,964	1,850	222,335
Millet	”	4,006	1,742	2,660	2,105	163,386
Wheat	”	....	....	253	214	12,140
Bean cake	”	20,380	16,925	14,026	13,367	869,207
Perilla cake	”	....	....	452	600	18,758
Ginseng	1,000 catties	435	444	451	359	95
Bean oil	1,000 piculs	1,608	1,479	1,109	1,160	57,242
Perilla oil	”	....	....	324	319	13,252
Ground nuts	”	1,562	1,717	1,605	1,536	81,555
Castor seed	”	....	....	331	453	16,015
Cotton seed	”	....	....	250	218	15,934
Hemp seed	”	1,078	1,152	769	397	29,864
Perilla seed	”	533	1,056	1,913	1,056	48,837
Sesamum seed	”	582	282	64	137	9,460
Coal	1,000 tons	4,302	4,182	3,737	3,824	2,953,480
Shale Oil	”	39	52	93	61	....
Raw silk, wild	1,000 catties	2,461	2,271	1,654	2,471	1,199
Wools, sheep's	”	2,638	5,104	5,374	4,769	1,441
Pig iron and Kentledge	1,000 piculs	7,281	7,152	5,104	4,168	....
Magnesite	”	....	....	1,823	2,751	171,708
Soapstone and talc	”	....	....	1,373	1,837	81,215
Sulphate of Ammonium	”	475	1,642	2,927	2,582	212,334
Salt	”	5,766	4,610	6,745	9,971	404,774

(B) Imports

(Continued)

Articles	Unit	1934	1935	1936	1937	1938
Raw cotton	1,000 piculs	281	203	383	615	48,151
Cotton yarn	1,000 catties	16,555	9,374	8,893	10,671	3,043
Raw jute	”	....	....	19,780	22,217	14,056
Gunny bags	1,000 piculs	932	901	814	1,037	*62,197
Woollen yarn and Cord	1,000 catties	....	....	1,256	4,183	1,253
Artificial silk, floss	”	6,626	5,546	11,905	2,355	——
Aluminium	”	....	....	935	1,571	† 2,840
Copper	”	9,330	9,352	4,907	9,102	9,242
Leads	1,000 piculs	....	....	70	77	2,540
Tea	1,000 catties	7,798	7,155	8,103	8,672	7,642
Rice and paddy	1,000 piculs	1,224	1,326	1,770	1,196	57,909
Wheat flour	”	8,648	7,695	3,480	1,297	239,801
Sugar	”	1,548	1,776	3,676	2,780	236,307
Leaf tobacco	1,000 catties	28,290	16,071	25,143	21,344	12,378
Gasoline, Naphtha, etc.	1,000 Am. Gal.	19,565	9,013	3,890	17,567	....
Kerosene oil	”	24,754	4,047	3,746	22,853	....
Lubricating oil	”	4,839	5,518	5,326	5,343	....
Crude oil, mineral	1,000 tons	....	....	118	155	....

Note: piculs=60.48 kgs.; catty=604.8 grams.
* In 1,000 pieces.
† In ¥1,000.

Table 5. Commerce By Principal Customs Districts

(Unit: M¥1,000; % against total)

	Dairen				Antung			
	Export	Import	Total	%	Export	Import	Total	%
1934	335,182	449,247	784,428	75.3	44,735	77,372	122,107	11.7
1935	315,371	474,375	779,746	76.3	35,898	75,685	111,584	10.9
1936	422,699	526,201	968,900	74.7	42,163	93,333	135,496	10.4
1937	484,850	640,996	1,125,846	73.4	38,296	53,885	92,180	6.1
1938	508,208	860,024	1,368,232	68.4	46,308	86,532	132,841	6.5
1938 (Jan.-June)	284,442	388,852	673,294	73.4	22,992	36,143	59,135	6.2
1939 (”)	355,158	500,970	856,128	68.3	35,570	53,584	89,154	7.1

	Yingkow				Shanhaikwan			
	Export	Import	Total	%	Export	Import	Total	%
1934	36,316	29,049	65,365	6.3	8,620	8,105	16,725	1.3
1935	41,606	25,174	66,780	6.5	8,357	5,247	13,604	1.3
1936	52,701	26,347	79,048	6.1	19,039	11,572	30,611	2.4
1937	36,371	49,666	86,037	5.6	18,254	13,902	32,156	2.1
1938	33,837	44,031	77,868	3.8	32,095	28,640	60,735	3.0
1938 (Jan.-June)	11,671	9,776	21,447	2.2	19,548	10,639	30,187	3.3
1939 (”)	13,628	12,672	26,300	2.1	30,102	15,351	45,453	3.6

	Harbin				Tumen			
	Export	Import	Total	%	Export	Import	Total	%
1934	3,903	4,573	13,476	0.6	.....	.....	.....	..
1935	3,005	4,960	7,911	0.8	15,143	27,496	42,639	4.2
1936	951	4,320	5,271	0.4	43,007	28,455	71,462	5.5
1937	537	23,044	23,582	1.5	66,945	47,978	114,923	7.5
1938	306	33,230	33,537	1.6	104,617	68,111	172,728	8.6
1938 (Jan.-June)	154	15,118	15,272	1.5	65,167	28,990	94,157	9.7
1939 (”)	65	23,754	23,819	1.9	63,044	56,435	119,479	9.5

Table 6. Exports of Principal Commodities

(Unit: M¥1,000)

Sulphate of Ammonium:	Total	Japan	China	Hongkong	D.E.I.	U.S.A
1934	1,718	997	184	298	101	135
1935	6,051	5,207	302	282	58	173
1936	11,424	9,942	580	317	351	...
1937	9,676	8,692	482	299	153	...
1938	16,571	15,744	826	...	...	...
” (Jan.-June)	7,775	7,264	511	...	...	...
1939 ”	8,793	8,364	429	...	...	...

(Exports. Unit: M¥1,000)

Kaoliang:

	Total	Japan	China	Germany	Holland	U.S.A
1934	7,311	3,348	3,839	86	12	21
1935	3,993	2,095	1,887	...	...	11
1936	11,726	5,608	100	...	...	...
1937	9,843	6,742	115	...	...	4
1938	18,845	6,741	11,876	...	...	228
" (Jan -June)	13,634	3,666	9,749	...	...	...
1939 "	12,694	6,897	5,796	...	...	...

Maize:

	Total	Japan	China	U.S.A	Holland	Others
1934	5,016	2,803	1,950	62	...	101
1935	1,470	514	907	32	...	17
1936	6,995	1,122	5,693	180	...	0
1937	8,526	4,397	4,122	8	...	13
1938	18,328	12,896	5,418	...	...	...
" (Jan -June)	11,910	9,408	2,487	...	...	...
1939 "	21,227	12,216	9,010	...	...	...

Millet:

	Total	Japan	China	U.K.	Germany	U.S.A
1934	19,940	18,607	1,063	23	131	87
1935	9,050	8,439	282	15	4	300
1936	18,318	17,548	634	33	7	22
1937	13,197	12,787	1,349	8	...	12
1938	20,260	14,065	6,126	...	...	...
" (Jan -June)	11,789	7,840	3,949	...	...	...
1939 "	20,505	11,316	9,189	...	...	...

Buckwheat:

	Total	Japan	China	Germany	Belgium	Holland
1934	4,251	339	5	3,151	288	428
1935	2,494	783	4	1,107	281	286
1936	2,373	1,368	14	677	190	101
1937	2,564	872	36	1,197	80	369
1938	2,683	782	77	1,355	111	349
" (Jan -June)	1,883	386	37	1,090	76	284
1939 "	837	670	55	83	5	14

Soya Beans:

	Total	Japan	China	U.K.	Germany	Egypt
1934	160,349	39,651	9,031	13,714	36,258	46,179
1935	130,053	42,520	12,049	18,215	22,169	16,284
1936	216,475	72,325	18,816	21,411	34,388	50,558
1937	226,076	86,654	6,313	4,143	42,511	76,119
1938	234,263	79,831	11,019	3,457	37,711	92,856
" (Jan -June)	128,161	50,727	4,441	1,741	17,168	49,296
1939 "	155,088	66,544	9,749	989	33,049	37,344

Ground nuts:

	Total	Japan	France	Germany	Holland	Italy
1934	14,129	680	1,205	2,606	3,910	1,904
1935	15,141	693	1,733	2,188	5,937	1,184
1936	16,111	1,222	556	5,335	2,834	342
1937	16,370	2,021	316	2,849	2,484	1,386
1938	12,115	6,278	275	1,049	870	93
" (Jan -June)	7,814	3,578	156	747	785	79
1939 "	5,242	3,320	...	10	0	1,286

Other Beans:

	Total	Japan	China	Hongkong	D.E.I.	Others
1934	9,994	7,658	1,330	358	55	593
1935	13,056	10,211	1,543	505	120	677
1936	14,838	12,718	1,325	516	63	216
1937	12,542	10,755	861	627	67	299
1938	14,010	10,542	2,748	485	14	94
" (Jan -June)	7,205	5,564	1,055	372	14	219
1939 "	14,913	12,632	2,250	4	...	26

Hides, Skin & Leather:

	Total	Japan	China	U.K.	U.S.A	Others
1934	6,687	1,822	175	101	563	27
1935	4,134	2,555	230	167	1,132	50
1936	5,785	3,766	338	120	1,531	30
1937	5,368	2,865	315	289	1,557	342
1938	6,205	2,494	150	87	2,585	888
" (Jan -June)	4,466	1,813	148	55	2,207	243
1939 "	3,310	514	2	...	2,611	183

(Exports. Unit: M¥1,000)

Bristle:

	Total	Japan	China	U.K.	Germany	U.S.A
1934	2,146	459	529	239	68	788
1935	2,797	812	329	234	99	1,177
1936	4,404	1,194	779	234	254	1,817
1937	6,541	1,951	606	337	903	2,368
1938	5,471	942	999	292	591	2,346
" (Jan -June)	3,524	663	664	231	393	1,471
1939 "	3,193	902	93	127	603	1,401

Hemp seeds:

	Total	Japan	France	Germany	Belgium	U.S.A
1934	4,410	934	578	1,950	118	453
1935	5,649	1,170	437	298	145	3,387
1936	3,597	716	573	161	59	1,798
1937	2,269	600	542	573	117	17
1938	3,305	785	762	998	249	41
" (Jan -June)	2,042	549	545	577	98	4
1939 "	3,309	2,452	263	300	66	21

Perilla seeds:

	Total	Japan	China	U.S.A		Others
1934	4,153	3,975	2	175	—	—
1935	7,533	7,355	10	166	—	—
1936	13,818	13,176	200	224	—	218
1937	7,885	7,695	88	12	—	91
1938	8,275	7,172	103	—	—	—
" (Jan -June)	5,367	5,337	33	—	—	10
1939 "	10,060	9,163	253	—	—	1,644

Sesamum seeds:

	Total	Japan	Germany	Holland	Italy	U.S.A
1934	5,865	3,783	118	177	1,405	39
1935	3,122	1,747	94	51	947	129
1936	832	814	17	—	—	—
1937	2,030	1,997	—	—	—	33
1938	3,421	3,413	—	—	—	6
" (Jan -June)	1,182	1,181	—	—	—	—
1939 "	4,275	4,061	—	—	—	—

Castor Seed:

	Total	France	Germany	Netherland	Italy	U.S.A
1934	2,013	1,125	4	—	123	696
1935	2,795	1,348	268	36	339	751
1936	3,036	2,775	19	—	11	222
1937	4,383	4,361	8	—	14	—
1938	2,630	2,630	—	—	—	—
" (Jan -June)	1,284	1,284	—	—	—	—
1939 "	871	871	—	—	—	—

Sweeping (cereals):

	Total	Japan	China			Others
1934	8,668	8,668	0	—	—	2
1935	3,220	3,209	0	—	—	10
1936	1,961	1,961	0	—	—	—
1937	3,209	3,197	0	—	—	12
1938	6,809	6,809	0	—	—	—
" (Jan -June)	3,091	3,091	0	—	—	—
1939 "	4,843	4,780	62	—	—	—

Bean Oil:

	Total	Japan	China	U.K.	Germany	Holland
1934	16,262	802	4,792	454	7,703	1,754
1935	20,132	178	2,208	3,584	5,935	2,580
1936	21,383	429	3,110	3,551	8,183	1,235
1937	25,343	219	846	1,303	6,731	9,253
1938	14,099	93	5,317	51	3,804	3,625
" (Jan -June)	9,863	36	1,861	51	3,589	3,625
1939 "	10,828	1,044	6,671	76	999	647

Perilla Oil:

	Total	Japan	China	U.K.	Germany	U.S.A
1934	597	—	4	5	—	588
1935	2,840	—	3	—	—	2,825
1936	6,764	99	42	3	60	6,548
1937	9,315	1	78	950	1,667	5,804
1938	4,646	1	54	119	1,041	3,134
" (Jan -June)	2,550	—	3	119	147	2,010
1939 "	4,534	0	222	78	1,689	2,395

(Exports. Unit: M¥1,000)

Wool, Sheep's:

	Total	Japan	China	Germany	U.S.A	Others
1934	756	26	581	1	148	—
1935	1,447	8	730	...	706	3
1936	1,925	155	1,143	...	581	46
1937	2,564	381	716	...	1,176	290
1938	2,524	2,100	16	...	49	358
" (Jan -June)	1,045	637	49	...	358	1
1939 "	1,478	1,341	...	...	131	5

Raw Silk, wild:

	Total	Japan	China			Others
1934	7,409	6,675	734	—	—	—
1935	7,279	6,280	999	—	—	—
1936	6,118	4,367	1,751	—	—	—
1937	8,386	6,802	1,584	—	—	—
1938	6,257	5,645	3,611	—	—	1
" (Jan -June)	3,013	2,994	19	—	—	—
1939 "	4,823	4,508	216	—	—	97

Cotton Yarn:

	Total	Japan	Brit. India			Others
1934	6,136	5,492	641	—	—	2
1935	5,624	2,616	2,024	—	—	384
1936	6,189	3,334	1,447	—	—	1,408
1937	4,468	3,693	53	—	—	724
1938	665	647	17	—	—	—
" (Jan -June)	665	647	17	—	—	—
1939 "	0	0	0	—	—	—

Coal & Briquettes:

	Total	Japan	China	Hongkong	U.K.	Holland
1934	41,956	34,660	3,777	1,371	924	334
1935	40,474	34,563	2,636	1,373	1,103	267
1936	35,181	31,028	2,350	535	870	311
1937	35,610	31,780	1,786	769	848	324
1938	28,198	26,511	1,046	24	453	29
" (Jan -June)	14,068	13,239	420	24	270	29
1939 "	10,409	9,629	686	0	45	—

Iron, pig & Kentlege:

	Total	Japan	China	Hongkong	Germany	Holland
1934	10,380	9,738	489	18	58	28
1935	10,329	9,663	631	16	38	6
1936	7,650	7,105	517	7	—	—
1937	6,222	5,908	310	4	—	—
1938	...	...	...	...	...	...
" (Jan -June)	...	...	...	...	...	...
1939 "	...	...	...	...	...	...

Magnesite (incl. powder):

	Total	Japan	U.K.	Germany	Belgium	U.S.A
1934	643	642	—	—	—	—
1935	859	774	9	4	—	—
1936	1,295	854	90	83	—	—
1937	2,214	1,266	112	95	92	529
1938	4,773	3,544	185	208	255	283
" (Jan -June)	1,932	1,277	131	90	850	195
1939 "	2,803	2,270	50	13	78	165

Soapstone, Talc, (incl. powder)

	Total	Japan	China	U.K.	Germany	Others
1934	535	471	43	3	13	5
1935	643	559	58	5	15	6
1936	750	621	86	3	25	15
1937	1,035	960	62	11	69	38
1938	1,237	895	74	...	156	111
" (Jan -June)	636	424	7	...	150	55
1939 "	958	706	145	...	48	57

Window Glass, unsilvered:

	Total	Japan	China	Hongkong	D.E.I.	Others
1934	1,422	528	496	28	124	246
1935	1,671	237	922	25	119	368
1936	1,689	496	623	118	88	364
1937	1,667	33	796	189	275	374
1938	1,218	412	653	...	152	1
" (Jan -June)	433	154	225	...	54	...
1939 "	792	190	563	...	38	1

(Exports. Unit: M¥1,000)

Bean-Cake:

	Total	Japan	China	Holland	Germany	U.S.A
1934	51,509	41,376	7,474	183	386	1,256
1935	51,370	38,076	9,946	30	330	1,945
1936	53,127	42,220	7,341	13	320	1,610
1937	72,236	50,292	7,713	59	301	2,896
1938	70,575	65,365	3,134	284	30	774
" (Jan -June)	47,666	45,785	956	150	...	515
1939 "	72,306	58,979	12,185	89	52	502

Table 7. Imports of Principal Commodities

(Unit: M¥1,000)

Dyes, Pigments, Paints, Varnishes, etc.:

	Total	Japan	China	Hongkong	U.K.	Germany	U.S.A
1934	5,608	2,608	420	263	614	1,190	445
1935	6,745	3,455	287	157	458	1,751	602
1936	7,258	4,136	370	111	475	1,622	431
1937	11,598	5,778	289	102	658	3,669	732
1938	11,857	19,200	63	...	5	1,496	185
" (Jan -June)	4,337	2,742	46	...	6	270	164
1939 "	6,295	4,199	7	...	1	2,032	47

Rice & Paddy:

	Total	Japan	China	Hongkong	Brit. India	French Indo-China
1934	7,476	2,500	1,393	543	1,534	1,464
1935	11,567	4,131	663	446	11,994	4,145
1936	12,592	1,740	3,562	756	1,318	3,489
1937	8,754	1,441	3,142	433	1,955	1,955
1938	11,393	9,173	10	0	...	...
" (Jan -June)	1,910	1,158	10	...	...	...
1939 "	12,479	12,182	0	...	...	...

Wheat Flour:

	Total	Japan	China	U.S.A	Australia	Others
1934	57,059	13,637	6,575	1,357	20,488	1
1935	53,989	33,461	572	54	19,884	18
1936	27,116	15,184	3,291	...	8,507	133
1937	13,828	12,257	235	...	1,196	140
1938	47,088	44,071	1,378	...	...	1,638
" (Jan -June)	14,023	12,567	5	...	...	1,451
1939 "	20,923	13,687	7,236	...	...	...

Aquatic Products:

	Total	Japan	China	Hongkong		Others
1934	8,238	6,866	704	52	—	616
1935	8,553	8,001	272	31	—	249
1936	12,005	11,184	570	109	—	142
1937	20,585	19,637	443	217	—	288
1938	17,136	16,833	293	...	—	10
" (Jan -June)	5,484	5,241	228	...	—	15
1939 "	11,184	9,294	641	...	—	1,249

Sugar:

	Total	Japan	China	Hongkong	D.E.I.	Others
1934	11,565	9,975	275	935	288	92
1935	12,974	11,766	66	583	518	39
1936	29,421	22,818	284	1,851	4,404	64
1937	21,293	14,604	129	531	5,827	197
1938	35,778	35,716	3	...	47	11
" (Jan -June)	18,581	18,520	2	...	47	12
1939 "	20,201	20,201	0	...	...	...

Tea:

	Total	Japan	China	Brit. India		Others
1934	3,023	865	2,084	66	—	8
1935	3,136	1,221	1,832	76	—	7
1936	3,732	1,131	2,463	124	—	14
1937	4,120	1,715	2,221	148	—	86
1938	6,227	5,126	1,088	10	—	3
" (Jan -June)	1,999	1,341	644	10	—	2
1939 "	2,543	2,348	193	2	—	0

(Imports. Unit: M¥1,000)

Wines, Beer, Spirits, Tablewaters:

	Total	Japan	China	U.K.	France	Others
1934	6,980	5,920	145	655	122	138
1935	7,965	7,099	56	545	139	126
1936	8,368	7,459	99	535	168	107
1937	9,969	8,843	45	571	343	167
1938	9,396	9,394	...	...	...	2
" (Jan -June)	3,488	3,486	...	...	...	2
1939 "	3,571	3,568	...	...	...	3

Cigarettes:

	Total	Japan	China	Russia	U.K.	U.S.A
1934	2,678	443	1,527	47	577	44
1935	1,934	342	730	2	748	58
1936	1,202	191	484	—	310	56
1937	1,419	150	377	—	346	46
1938	1,246	1,159	0	—	35	3
" (Jan -June)	143	57	0	—	35	4
1939 "	597	596	1	—	0	—

Leaf Tobacco:

	Total	Japan	China	D.E.I.	U.S.A	Others
1934	8,558	553	4,395	348	3,549	13
1935	6,067	411	3,250	—	1,841	216
1936	8,848	463	5,072	—	3,113	200
1937	7,597	407	3,566	—	3,202	422
1938	7,738	634	4,737	—	2,214	152
" (Jan -June)	2,718	128	987	—	1,545	58
1939 "	5,005	1,491	3,427	—	85	0

Timber & Wood:

	Total	Japan	China	Hongkong	U.S.A	Canada
1934	17,499	11,781	306	38	4,937	115
1935	14,310	10,137	178	31	3,283	202
1936	11,746	9,061	379	44	1,887	102
1937	14,888	11,262	405	40	2,143	22
1938	23,967	20,729	98	—	—	—
" (Jan -June)	9,147	7,761	34	—	—	1,352
1929 "	26,137	24,013	106	—	—	2,018

Raw Cotton:

	Total	Japan	Brit. India	China	U.S.A	Others
1934	12,284	457	10,262	511	10,262	15
1935	9,407	60	8,046	1,098	8,046	0
1936	18,601	28	13,862	3,431	837	443
1937	32,202	44	22,340	3,630	4,962	1,227
1938	42,663	34	6,814	28,020	7,677	0
" (Jan -June)	13,410	0	6,415	882	6,013	100
1939 "	3,905	88	1,063	2,584	170	—

Raw Jute:

	Total	Japan	China	Brit. India		Others
1934	2,375	16	307	2,051	—	1
1935	2,063	31	49	1,982	—	1
1936	2,596	68	22	2,504	—	2
1937	2,734	13	24	3,696	—	1
1938	2,664	3	20	2,639	—	2
" (Jan -June)	1,457	11	14	1,442	—	—
1939 "	2,490	0	4	2,485	—	1

Woolen Yarn & Cord:

	Total	Japan	China	U.K.		Others
1934	2,549	2,280	—	236	—	33
1935	2,030	1,992	—	36	—	38
1936	3,467	3,389	—	70	—	8
1937	7,552	7,445	—	104	—	103
1938	8,351	8,287	30	31	—	3
" (Jan -June)	1,431	1,377	27	26	—	—
1939 "	2,770	2,749	21	—	—	—

Cotton Yarn:

	Total	Japan	China			Others
1934	12,533	5,439	7,055	—	—	44
1935	7,938	5,400	2,538	—	—	0
1936	7,699	7,026	673	—	—	—
1937	10,740	10,207	533	—	—	—
1938	4,770	4,605	125	—	—	39
" (Jan -June)	4,449	4,446	3	—	—	—
1939 "	78	4	74	—	—	—

(Imports. Unit: M¥1,000)

Cotton Piece-goods (Grey):

	Total	Japan	China	U.K.		Others
1934	17,154	14,987	2,150	2	—	14
1935	24,626	23,710	914	1	—	1
1936	32,048	31,058	987	—	—	3
1937	42,771	42,107	663	—	—	2
1938	34,050	34,009	40	—	—	1
" (Jan -June)	25,433	25,428	5	—	—	1
1939 "	1,449	1,412	37	—	—	—

Cotton Piece-goods (white or dyed):

	Total	Japan	China	U.K.		Others
1934	27,511	25,313	66	105	—	57
1935	25,251	24,874	31	73	—	26
1936	40,769	40,243	91	55	—	8
1937	44,435	44,066	41	81	—	39
1938	30,692	30,662	23	—	—	6
" (Jan -June)	22,374	23,359	12	—	—	5
1939 "	2,612	2,580	27	—	—	5

Cotton Piece-goods (printed):

	Total	Japan	China	Russia	U.K.	Others
1934	10,948	10,700	66	170	9	2
1935	7,483	7,448	31	—	4	1
1936	11,789	11,696	91	...	...	2
1937	13,934	13,891	41	...	...	3
1938	11,061	11,059	0	...	...	1
" (Jan -June)	8,983	8,982	0	...	...	1
1939 "	1,299	1,298	1	...	...	...

Woolen Piece-goods:

	Total	Japan	U.K.	Germany	Poland	U.S.A
1934	9,551	7,762	988	165	530	32
1935	11,343	9,317	831	233	696	129
1936	15,801	14,403	761	126	544	15
1937	18,998	16,715	1,089	109	842	6
1938	22,810	21,712	306	—	515	—
" (Jan -June)	8,851	8,353	284	—	132	—
1939 "	20,037	19,912	8	—	87	—

Rayon Piece-goods:

	Total	Japan	China	Italy		Others
1934	10,824	10,723	16	36	—	48
1935	8,051	6,993	24	1,014	—	20
1936	15,801	14,403	0	1,397	—	—
1937	2,130	1,514	0	616	—	—
1938	56,815	56,807	6	—	—	2
" (Jan -June)	16,578	16,572	4	—	—	2
1939 "	43,706	43,564	142	—	—	—

Silk Piece-goods:

	Total	Japan	China	U.K.	France	Germany
1934	11,111	9,660	1,402	21	6	5
1935	19,709	19,302	371	11	7	12
1936	35,683	35,309	299	23	15	25
1937	30,646	30,215	329	19	12	13
1938	4,523	4,387	87	...	—	—
" (Jan -June)	1,509	1,423	47	...	—	—
1939 "	4,675	4,210	451	...	—	—

Artificial Silk Floss:

	Total	Japan	Italy	China		Others
1934	10,823	10,721	36	—	—	66
1935	8,051	6,992	1,014	—	—	45
1936	15,806	14,409	1,397	—	—	—
1937	2,130	1,514	616	—	—	—
1938	56,815	56,807	...	—	—	8
" (Jan -June)	16,578	16,572	4	—	—	2
1939 "	43,706	43,564	142	—	—	—

Gunny Bags:

	Total	Japan	China	Hongkong	Brit. India	Others
1934	16,134	5,314	518	725	9,566	11
1935	14,641	3,753	110	241	10,537	0
1936	14,025	4,256	191	120	9,456	—
1937	19,274	3,742	163	55	15,314	—
1938	20,838	2,440	226	—	18,125	45
" (Jan -June)	8,856	1,745	113	—	6,997	1
1939 "	13,572	4,464	225	—	8,883	0

(Imports. Unit: M¥1,000)

Footwear:

	Total	Japan	China			Others
1934	5,530	5,499	12	—	—	19
1935	8,438	8,414	7	—	—	17
1936	8,607	8,581	14	—	—	12
1937	11,677	11,624	26	—	—	27
1938	9,710	9,703	4	—	—	2
" (Jan -June)	7,388	7,385	2	—	—	—
1939 "	2,420	3,147	2	—	—	—

Paper:

	Total	Japan	China	Germany	Sweden	Others
1934	12,139	952	2,075	148	176	100
1935	12,959	10,971	1,220	270	188	77
1936	16,793	14,171	1,788	135	87	238
1937	24,865	21,416	1,629	84	375	179
1938	17,290	16,195	127	—	300	—
" (Jan -June)	14,649	12,906	—	—	300	505
1939 "	16,466	15,961	376	—	—	129

Cement:

	Total	Japan	China	Russia		Others
1934	7,901	7,803	97	0	—	0
1935	3,543	3,540	3	—	—	0
1936	3,437	3,434	3	—	—	0
1937	1,068	1,055	4	—	—	8
1938	4,230	4,165	62	—	—	3
" (Jan -June)	617	590	24	—	—	3
1939 "	6,781	6,781	1	—	—	—

Gasoline, Naphta & Benzine, mineral:

	Total	Japan	Roumania	D.E.I.	Brit. Borneo	Others
1934	9,865	378	—	1,593	691	6,728
1935	5,375	765	—	1,680	5	2,909
1936	1,970	422	—	434	—	914
1937	7,145	1,082	2,272	760	—	2,923
1938	(not released public)		...	...	...	...

Kerosene Oil:

	Total	Japan	D.E.I.	Brit. Borneo	U.S.A	Others
1934	11,621	595	3,798	63	5,881	20
1935	2,228	328	234	1	1,626	—
1936	1,740	1,625	21	—	95	—
1937	6,707	2,252	95	19	3,520	804
1938	(not released public)		...	...	...	...

Copper:

	Total	Japan	China	U.S.A		Others
1934	4,440	4,185	22	178	—	55
1935	4,463	4,275	0	167	—	22
1936	2,661	2,538	50	69	—	4
1937	6,177	5,281	70	824	—	2
1938	9,240	6,302	652	2,228	—	56
" (Jan -June)	5,076	3,412	295	1,365	—	4
"	5,553	3,826	141	1,564	—	22

Iron & Steel:

	Total	Japan	U.K.	Germany	Belgium	U.S.A
1934	52,227	48,218	1,045	5,609	494	2,078
1935	51,540	42,545	1,078	5,203	1,237	1,243
1936	39,506	35,801	154	1,558	586	1,001
1937	76,429	55,859	961	2,153	3,329	9,589
1938	122,075	70,464	—	4,889	3,740	34,893
" (Jan -June)	64,945	29,152	—	1,508	1,971	26,735
1939 "	52,857	42,675	—	3,248	364	5,475

All kinds of Machineries:

	Total	Japan	China	U.K.	Germany	U.S.A
1934	70,640	59,835	812	1,951	2,368	4,425
1935	89,738	78,126	852	2,363	3,261	4,319
1936	110,280	95,152	603	2,345	4,874	4,519
1937	158,925	135,785	720	3,666	4,454	11,528
1938	68,834	70,610	196	2,870	632	66

(Continued)
(Imports. Unit: M¥1,000)

Of which: 1938	Total	Japan	China	U.K.	Germany	U.S.A
Meters, Guages, etc.	6,124	5,747	1	—	188	—
Batteries	3,074	3,005	1	—	—	56
Boilers, etc	8,945	5,503	19	2,870	300	—
Magnetos, Motors, and other electric machineries	7,960	7,513	0	—	—	—
Transformers and Converters	4,807	4,781	—	—	—	—
Electric Communication Instruments	9,839	9,758	—	—	—	—
Bicycles and Parts	5,884	5,708	20	—	144	10
Pumps (including ventilating machines, gas compressors)	8,370	7,096	0	—	—	—
Chain, Hoists, Cranes, etc.	3,963	4,940	0	—	—	—
Total incl. others	68,834	70,610	196	2,870	632	66

Metalwares:

	Total	Japan	China	Germany		Others
1938	47,747	46,093	25	364	—	2,584
Of which:						
Nails	8,904	8,682	6	—	—	216
Cables	5,474	3,368	0	16	—	105
Insulating wire	18,749	18,585	0	—	—	163
Construction Materials for Bridges, Railways and Building	5,629	5,613	1	—	—	14
Door checks, Locks, Hinge and Other Fittings	2,996	2,986	12	—	—	127
Tools and Implements	5,556	4,849	6	249	—	451
Total incl. others	47,747	46,093	25	364	—	2,584

Toys & Games:

	Total	Japan	China	Germany	U.S.A	Others
1934	909	750	112	12	3	32
1935	1,130	971	91	30	14	24
1936	1,137	1,019	84	12	11	11
1937	1,343	1,165	65	25	73	25
1938	1,489	1,458	24	...	...	7
" (Jan -June)	726	707	13	...	—	6
1939 "	967	962	5	...	...	...

Foreign Trade Through Dairen.—Foreign trade through Dairen is the largest of any other port in Manchuria. About 70 per cent of the entire foreign trade of the country is done through this flourishing port. In 1938 the total value of foreign trade effected through Dairen amounted to 1,368 million yuan, consisting of 508 million yuan in exports and 860 million yuan in imports.

Invisible Trade in 1937

The balance of the invisible trade for 1937 reveals that the invisible accounts in the recurrent section resulted in a net outgo of 33 million yuan, which was a slight improvement as compared with the adverse balance of 49 million yuan for 1936. The invisible accounts, did not contribute toward reducing the huge adverse figure for merchandise trade. Consequently the deficit had to be met by increased receipts on the invisible account under the non-recurrent section; that is, by means of a net income of capital funds.

The excess receipts on the invisible account under the non-recurrent section amounted to 306 million yuan. The balance of all international payments on account of commodity trade, gold and silver movement and invisible trade resulted in a net outgo of 33 million yuan. Had the calculation been done more accurately the figures should have balanced, and the apparent discrepancy shown by the existence of a net export balance is evidence of miscalculation in some respect, although the extent of the miscalculation has shrunk considerably since the excess of outgo was returned at 100 million yuan each for the years 1935 and 1936. The presence of such conspicuous errors up to the year 1936 can probably be attributed to the faulty adjustment of statistical data and also in a considerable measure to the operation of illicit trade. At any rate, however, a fair degree of accuracy has been achieved in the figures for 1937 which indicate that the country's international payments were balanced by the increased investment of external capital.

Table 8. International Balance of Payments

(Unit: ¥1,000)

(A) Assets

	1934	1935	1936	1937
Total Inward Accounts:	**898,362**	**1,043,939**	**1,361,268**	**1,432,187**
Of which Visible Trade (Export)	448,427	421,078	602,659	645,298
Of which Invisible Trade				
(a) Ordinary receipts:				
Interest and dividends and foreign securities	2,654	4,378	2,736	3,408
Interest on overseas deposits and loans to foreign countries	5,146	4,658	7,369	7,589
Net profit from overseas enterprise	564	663	1,817	1,352
In connection with shipping	18,505	19,334	18,270	28,305
In connection with insurance	4,480	6,680	8,104	10,215
Total incl. Others	127,446	163,081	196,257	249,994
(b) Special receipts:				
Foreign capital invested in Manchoukuo	285,175	404,030	495,127	476,943
Collection of capital invested abroad	37,314	55,750	67,125	59,952
Total	322,489	459,780	562,252	536,895
Total of invisible trade	449,935	622,861	758,509	786,889

(B) Liabilities

	1934	1935	1936	1937
Total Outward Accounts:	**802,913**	**946,977**	**1,283,408**	**1,401,273**
Of which Visible Trade (Imports):	593,562	604,149	691,830	887,412
Of which Invisible Trade				
(a) Ordinary payment:				
Interest and dividends on Manchoukuo securities possessed by foreign nationals	55,089	72,840	86,194	98,585
Interest on foreign loans and deposits.	5,653	7,730	8,486	12,577
Net profit from foreign enterprise in Manchoukuo	5,584	11,076	8,692	10,199
Funds taken out by emigrants and returning immigrants' remittance	40,115	41,893	44,628	41,407
Payment in connection with shipping.	5,817	4,055	4,420	7,297
Payment in connection with insurance	12,619	14,866	18,636	21,918
Amounts expended by Manchoukuoans abroad	21,042	25,289	37,617	39,396
Other payments by Government	3,763	4,605	8,347	32,081
Total	152,874	183,873	244,854	283,165
(b) Special payment:				
Investment abroad	50,487	72,704	64,971	106,854
Collection of foreign capital invested in Manchoukuo	5,990	20,811	236,056	88,985
Total incl. Others	56,477	158,955	346,724	230,696
Total of Invisible Trade	209,351	342,828	591,528	513,861
Balance (receipts)	**95,449**	**96,962**	**77,858**	**30,914**

Vessels Entered and Cleared

The number of vessels entered in 1938 showed a small increase over the corresponding figures for the preceding year, but a decline in tonnage was observed. Japaense vessels have been accounting for the largest share in shipping. In 1938 about 45 per cent of the vessels entered flew under the Japanese flag.

Table 9. Vessels Entered and Cleared

(A) Tonnage

	Entered		Cleared	
Year	No.	Tons	No.	Tons
1929	6,422	8,271,819	6,312	8,172,118
1930	5,671	7,445,225	5,205	7,362,571
1931	6,633	8,082,898	6,089	7,999,269
1932	5,569	8,208,749	5,518	8,065,985
1933	5,394	8,456,400	5,437	8,591,502
1934	5,779	9,445,000	5,735	9,466,956
1935	5,523	8,924,566	5,534	9,118,980
1936	5,292	8,322,857	5,333	8,416,864
1937	4,839	7,622,809	4,894	7,695,526
1938	5,043	7,192,520	5,463	8,299,255

(B) By Flags

	Entered		Cleared	
Flags	No.	(1,000 tons)	No.	(1,000 tons)
Manchoukuoan	419	259	416	259
Kwantung	1,120	1,533	1,100	1,505
Japanese	2,275	3,186	2,307	3,221
Chinese	764	617	771	632
Russian	—	—	—	—
British	229	755	241	791
French	—	—	—	—
German	73	301	69	289
Dutch	12	55	12	55
Danish	17	70	17	70
Swedish	10	36	10	36
Norwegian	78	238	77	235
Italian	16	47	16	47
Greek	21	73	21	73
U.S.A.	2	7	2	7
Others	7	16	7	16
Total	5,043	7,193	5,066	7,236

THE NEW CUSTOMS TARIFF

A new custom tariff law and a drastically revised tariff were promulgated on December 20, 1937 and took effect on January 1, 1938. The laws and regulations on which the Manchurian customs service was based hitherto were mainly composed of a number of Inspector-General's Circulars of the Chinese Customs, and those published from time to time by the Manchoukuo Government in response to the changing economic situation. The Inspector-General Circulars, published from time to time concerning single cases, were too complicated and unsystematical for the general public to comprehend. Moreover, there were many regulations which did not apply to the actual economic conditions. The tariff too, though it had undergone three minor revisions, was still composed mainly of the tariff of the old regime, so that it too was not adapted for the new economic situation. Therefore, the Government of Manchoukuo found it necessary to enact a new customs law and to dractically revise the customs tariff.

The new law was enacted with three objects in view, namely: (1) it is to be a synthetic law regulating the whole customs formalities and customs administrative measures; (2) it is to be the basic law regulating all matters concerning import and export trades; (3) it is designed to give a full and exact account of international trade.

Gist of the Law

The Finance and Commerce Minister may, for the sake of convenience, set a price nearest to the normal price of a dutiable article at the frontier as the standard of its assessment to be applied for a certain definite period of time.

The collection of duties shall as a general rule be made according to the general rule applied to the collection of inland tax. Travellers' personal effects, and others, however, shall be dealt with leniently. The prescription of the right to claim refund against the Government for the amount overpaid by mistake shall expire in two years, while the right to claim against an importer or exporter for the duty evaded without sufficient reason shall expire in five years.

The name of goods which are generally exempted from taxation by the legislations of modern states, for example, goods used by the Imperial family and the foreign diplomatic corps, and personal effects of tourist are specifically enumerated as far as possible in order to remove possible complications and ambiguities in applying the law.

In view of the special conditions of this country, specific exemption points are stipulated for articles of small prices, and small articles traded at the frontier, except goods for military use, and those for the state railways and key industries. Protestation may be tendered to the Customs Inspector General for his disposition concerning assessment, exemption, or collection of duties. In case the protester be not satisfied with the decision of the Inspector-General, he may take legal proceedings.

Bonded areas are divided into two classes: special and special bonded areas. The former areas are composed of five kinds and the latter three. There are six kinds of customs formalities under the new law. In view of the special conditions of this country, habitual smuggles shall be severely dealt with.

Motives of Revision

Revision of import tariff was carried out on the basis of actual results of trade, industrial enterprises and finance since 1932 with a view (1) to expedite the realization of the Five-Year Plan, (2) to improve the balance of international payments, (3) to secure the state revenue resources, (4) to make the burden of customs duties equitable, and (5) to promote a smooth development of the trade between Japan and Manchoukuo. In order words, the customs tariff was revised to cope with the second stage of economic construction of Manchouuuo and the changed international situation.

In selecting and classifying dutiable goods, special attention was paid to the actual situation of domestic industry and foreign trade. Classification was rationalized and simplified, while special attention was paid to prevent legal smuggle through over-simplification of classification. The metric system was applied throughout. In order to secure customs revenue as a whole, the average tariff rate of all the dutiable articles of imports and exports has been made equal to the average rate for 1935 and 1936. The burdens of taxation on specific duty goods and ad valorem duty goods were equalized with due consideration of the trend of commodity prices.

As regards jewelry, wrist watches and other ornamental goods liable to tax-evasion, the tariff thereon has been made equal to that of the Kwantung Leased Territory, on the basis of revenue tariff policy.

Daily necessaries such as fresh vegetables, tangle, fish both salted and fresh, sanitary articles like serum, vaccines and took-paste and powder, paraphernalia, newspapers, books and other printed matters necessary for cultural education are either duty-free or charged low duties.

Import duties on silk, rayon and their manufactures have been reasonably lowered, in view of the fact that existing duties are rather too high, reuslting in the smuggling of considerable quantities of these goods. Special consideration has been paid to a revision of duties on the goods of State monopolies. As regards the goods subject to excise duties, no customs duties are imposed in principle. Taxation on goods covered by the Five-Year Plan or the Law Controlling Important Industries was conformed to the State industrial policy as expressed in the Plan and the Law. As regard other goods, duties were so fixed as to protect or assist those industries which are adapted to domestic production.

Customs Tariff Policy According to Industries

The Government's customs policy according to industry is as follows:

Mining and Manufacturing Industries.—In addition to the adjustment of duties on minerals, their manufactured articles, and machinery thereof, basic construction articles and equipment of important industries such as aircraft, light metal, gold mining and refining, coal liquefaction, shale-oil, iron and steel, hydro-electric and coal mining are duty-free according to the articles of the Customs Law. As regards arms, aircraft and rolling-stock industries, bonded factory system has been instituted.

Agriculture.—Seeds and kernels for food and medicine were made duty-free in principle, provided they are imported for cultivation. Agricultural machinery and tools are also exempted from taxation. Agricultural produce for domestic industries such as wheat, hemp, cotton, leaf tobacco, beet, etc., is given as much protection as possible.

Live-stock.—With a view to enriching live-stock and its products, live cows, horses, donkeys, mules, goats, sheep (and bees) are duty-free. Live-stock for improvement purposes also is exempted from taxation. So is medicine for the prevention of veterinary diseases.

Flood-relief Surtax.—For sake of convenience the flood-relief surtax has been incorporated into the revised tariff.

Revised Export Tariff

Revenue tariff policy was applied to exports in principle, and as the first step only minimum export duties enough to cover the decrease of total customs revenue caused as a result of the revision of import tariff are levied. But, an exception to the principle are duties on certain articles restriction of whose export was deemed advisable.

As to the items of duiable goods, articles which produce large customs revenue were chosen according to the principle of revenue tariff policy mentioned above, but those articles whose export is not advisable or is deemed advisable to be restricted or those raw materials which had better be manufactured in home factories are dutiable, even though they do not produce large duties. On the other hand, products of nascent industries are duty-free. Bean-cake, kaoliang, maize and pig-iron are duty-free in view of the fact that it is advisable to develop their export. As a result of the above drastic revision, the number of dutiable articles was reduced from 275 to only 20. In the export tariff, specific duty system is applied as a general rule and the metric system is used as in the case of import tariff.

Government's Customs Tariff Policy Toward Manufacturing Industries

The customs policy of Manchoukuo toward main branches of manufacturing industries as expounded in the revised tariff was summarized by the Manshu Nichichi, December 21, 1937 as follows;

(1) **Iron and Steel Industries.**—In order to alleviate and to make equitable the burden of duties on their consumers, the size of duties on iron, steel and their manufactures was fixed in proportion to the degree of manufacturing. Secondly, the tariff on these goods was revised so as to place the State on a self-sufficient basis as regards these goods. On the other hand, the basic materials for heavy industries not produced within the State were made duty-free as a rule. Through these measures the Government hopes to expedite the smooth development of the steel industry in the country.

(2) **Automobile Manufacturing Industry.**—In order to protect the existing assembling plants and to eventually develop domestic production of cars, the import duty on cars was raised from 30 to 50 per cent. while that on parts was left as it was, i.e., 10 per cent.

(3) **Soda Industry.**—With a view to placing the soda industry on a firm basis, and to alleviating the tax burden on the consumer, the products of the Manchu Soda Manufacturing Company are to be treated as re-exports and the import duty in soda-ash was fixed at M¥2 per 100 kilograms.

(4) **Cement Industry.**—The import duty on cement was raised from M¥7.35 per metric ton to M¥8, and that on clinker was fixed at M¥2.

(5) **Cotton Textile Industry.** — Generally speaking the revenue tariff policy was adopted for this industry.

(6) **Hosiery Industry.**—The import duty on knit goods was reduced to 17.5 per cent. and that on stockings and socks was fixed uniformly at M¥83 per 100 kilograms.

(7) **Woolen Industry.**—The import duty on wool and its manufactures was so revised as to protect the domestic production of woolen industry.

(8) **Hemp-dressing Industry.**—In view of the importance of gunny-bags for packing staple produce the import duty on hemp was so revised as to protect its home production on the one hand and on the other to encourage the use of kenafe which is increasingly produced in this country as a substitute for hemp.

(9) **Dyeing Industry.**—With a view to protecting the domestic dyeing industry, the import duty on dye-stuffs was reduced and the difference of duties between undyed and dyed Tachihpu or nankeen for the domestic small-scale dyeing factories was increased from M¥2.15 to M¥6.00.

(10) **Sugar Industry.**—Aiming at the protection of the domestic beet-sugar industry, the difference of import duties between raw and refined sugars was increased to M¥1.03 to M¥1.50.

(11) **Tobacco Industry.** — Protective policy was applied to the tobacco industry. The import tariff was divided into three classes and that of all the three classes was raised. The import duties on manufactured tobacco, cigars and cigarettes were uniformly revised to 100 per cent. ad valorem, and that on cigarette papers to 10 per cent. ad valorem.

FOREIGN TRADE CONTROL LAW

During the first five years of her statehood, Manchoukuo directed its efforts towards rationalizing and in adjusting the country's complicated and multifarious trade relations with foreign nations. This period was marked by the absence of restrictions upon her foreign trade. However, this policy had to be altered in 1936. In that year, Japan invoked a trade protection policy and passed a retaliatory measure against Australia, and Manchoukuo followed likewise for the purpose of cooperating with Japan on the basis of the Japan-Manchoukuo economic bloc ideology. Thus was drafted and promulgated the Emgergency Trade Control Law on August 15, 1936 which went into force on the same day.

The Emergency Trade Control Law thus enacted authorized the Government to levy additional import or export duties equivalent to or less than the value of the goods, reduce or exempt the import or export duties thereon, or prohibit or restrict the importation or exportation thereof when such a procedure is deemed necessary (1) to regulate or protect foreign trade against any discriminatory measure taken by a foreign nation, (2) to safeguard important domestic industries, and (3) to regulate the prices of daily necessities. It further authorized the Government to order the submission of reports on matters relating to the prohibitions or restrictions enforced or to examine books and other documents relevant thereto. The Supplementary Regulations then stipulated the necessity of obtaining the permission of the Minister of Finance and Commerce to import wheat, wheat flour, wool, and rice. The Law inflicted heavy penalties upon the violators of various stipulations.

Since the adoption of this emergency measure, primarily a retaliatory measure against Australia, new developments have created new situations. The enforcement of the Five Year Industrial Plan and the outbreak of the China Incident have revealed that the 1936 measure was too limited to meet the new international situation. Thus, in order to effectively protect and regulate foreign trade, the Government found it necessary (1) to regulate international balance of payments, (2) to improve trade relations with specific countries, and (3) to regulate the demand and supply or the prices, not only of daily necessities, but also of general staple goods. The new Foreign Trade Control Law was drafted to meet just such situations and was promulgated on December 9, 1937, for immediate enforcement.

Except for the changed emphasis of its objectives already described, the new Law only amplifies the fundamental principles outlined in the Emergency Law, namely, protection or restriction as well as increase or exemption of duties upon designated goods. One notable difference is the inclusion in the new Law of provisions authorizing the Government to order the organization of associations or to designate importers or exporters for the purpose of controlling imports or exports of commodities in question, or to issue instructions necessary for controlling imports or exports to the associations organized or the importers or exporters designated.

The major items affected by the Foreign Trade Control Law are the following: (1) kaoliang, (2) wheat and wheat flour, (3) rice, (4) bristles, (5) horse hair, (6) wool and goat and camel hair, (7) hides and leather, (8) furs, (9) lumber, (10) gunny bags, (11) antimony ore, antimony, antimony sulphide, antimony alloy, and articles made of antimony, (12) molybdenite ore, molybdenite, and ferro-molybdenite, (13) tungsten ore, tungsten, and ferro-tungsten, (14) fluorspar, (15) naphthalene, (16) nitric acid, (17) jute, flax, ramie, hemp, kenafe, etc., (18) waste cotton tissue, (19) waste paper, (20) motorcars, internal-combustion engines for motorcars and motorcar chassis.

In the early part of 1939, the Hsinking Government drafted an Imperial ordinance on the basis of the Trade Control Act, adding ten commodities, namely (1) beans, (2) groundnuts, (3) perilla seeds, (4) bean oil, (5) groundnut oil, (6) perilla oil, (7) castor oil, (8) hessian cloth, (9) wild silk yarn, waste, cocoons, and (10) hemp articles to the list of goods already under control. It was explained at that time that the Manchoukuo Government was taking steps, from the standpoint of adjusting foreign payments, to control the export of these commodities to Japan and China, so as to promote shipments to third countries. The ordinance in question was approved by the State Council, Hsinking on February 13, 1939 and put into force on May 25, 1939.

The export quotas to Japan for the "staple produce year" (October 1, 1938 to September 30, 1939) were as follows: (in metric tons). Beans, 750,000; Groundnuts, 120,000; Perilla seeds, undecided; bean oil, 600; groundnuts oil, 100-150; perilla oil, undecided; castor oil, banned except consignments to Japan for munitions purpose; wild silk yarn, 1,500; hessian cloth, banned; hemp articles, banned.

The export quota to China for the same period is as follows: (in metric tons) beans, 100,000; perilla seeds, banned; bean oil, 13,000; perilla oil, undecided; hessian cloth, banned; hemp articles, banned.

Foreign Trade for 1st Half of 1939

The foreign trade of Manchoukuo continued its marked expansion both in exports and imports for the first half of 1939 as compared with the corresponding period of the previous year. Total exports reached ¥489,000,000, while imports aggregated ¥754,000,000 leaving an excess of imports over exports of some ¥264,000,000. Compared with the trade figures for the corresponding period of the previous year exports increased by ¥85,000,000 and imports by ¥196,000,000. The tremendous increase of imports due to the need for materials for industrial development in Manchoukuo boosted the unfavorable balance by some ¥111,000,000.

Exports to third Powers, with the exception of Japan and China, totalled ¥99,930,000. Since exports to these countries, excluding Germany and Italy with whom Manchoukuo has mutual trade agreements and the United States decreased, the export figures for the first half of the year were ¥3,990,000 lower than those for the same period of 1938.

Imports from third Powers (excluding Japan and China) totalled ¥108,790,000. As a result of the exchange control, trade control and the curbing of the imports of luxuries and goods not urgently required, this import total as compared with that for 1938 showed a drop of ¥9,670,000. The excess of imports over exports with the third Powers therefore totalled ¥8,860,000 marking a decrease as against the first half of 1938 of roughly ¥3,630,000. The unfavorable balance is primarily due to the expansion of industrial activity within Manchoukuo and the consequent demand for machinery and other materials.

The increase in the export total was due to the expansion in the exportation of soya beans by ¥26,000,000, bean cakes by ¥24,000,000, other beans by ¥77,000,000, perilla seeds by ¥5,000,000, wild silk by ¥6,000,000 as well as to a gain of ¥1,000,000 each in magnesite, hemp seed and bean oil exports as against the previous year.

In spite of the designation of official domestic prices, the export of soya beans, perilla seed, perilla seed oil, and beancake to the yen-bloc countries as well as to third Powers showed marked increases. Especially with regard to soya beans, the export of which to foreign countries totalled ¥78,000,000, was there a marked increase of about ¥8,000,000 in comparison with the same period of 1938. On the other hand, the figures for the exports of buckwheat, kaoliang, groundnuts, bristles and other commodities showed a decrease because of an increase in the domestic consumption of these staple products.

Among the import goods, the following commodities showed a drastic jump over 1938: raw rubber, ¥20,413,000; rice, ¥12,263,000; fish and shellfish, ¥13,743,000; wheat flour, ¥20,760,000; straw matting, ¥6,793,000; lumber, ¥25,843,000; gunny bags, ¥13,232,000; vehicles and accessories, ¥51,608,000; artificial fibre, ¥42,613,000, and machinery and accessories, ¥86,318,000.

The increase in the imports of rice, fish and shellfish, and wheat flour was the direct result of increased domestic consumption, while the tremendous increase in the importation of raw rubber, vehicles, and machinery is accounted for by the acceleration of industrial growth in the new State.

Renewal of Manchoukuo-Germany Trade Accord

A new agreement for the renewal and revision of the Manchoukuo-German Trade Agreement of September, 1938, was concluded in Hsinking on May 31, 1939. The instrument was signed by the Reich Minister to Hsinking, Dr. Wilhelm Wagner, and the Chief of the Manchoukuo Foreign Office, Mr. Tsai Yun-sheng. The text of the Agreement is as follows:

1. In case payments for German goods imported into Manchoukuo exceed the amount paid in Reichmarks into the special account in accordance with the provisions of Articles 1 to 3, the German Government shall make arrangements so as to enable the bank designated in Article 2 to secure loans from German banks to the extent of 45,000,000 Reichmarks, during the period from June 1, 1939 to May 31, 1940.

2. If payments for Manchurian products imported into Germany exceed the amounts specified by the provisions of Articles 1 to 3, the total amount of the excess may be paid in Reichmark into the special account, "Manchoukuo Y," kept in the bank designated in Article 2. The said total amount shall not, however, exceed 45,000,000 Reichmarks, during the period from June 1, 1939 to May 31, 1940.

3. Loans obtained in accordance with Section 1 above, by the bank designated in Article 2, may be repaid with Reichmarks paid into the special account in conformity with the provisions of Articles 2 and 3 and of Section 2 above.

4. In case imports to be accounted for the preceding year are completely carried out, and in case loans for this year are granted in accordance with Section 1, payments into the special account, Manchoukuo Y," may be made in conformity with Section 2 above to the extent of 20,000,000 Reichmarks, along with the payments provided for in Articles 2 and 3, even if the import of Manchurian products provided for in Articles 1 to 3 may not have been completely carried out.

5. The present Agreement shall remain as long in force as the Convention concerning the exchange of commodities and payment between Manchoukuo and Germany.

Any loans still outstanding after the expiry of the Convention may be paid conformably to the provisions of the present Agreement.

Done in duplicate in Hsinking, this thirty-first day of the fifth month of the sixth year of Kangte, corresponding to May 31, 1939.

In behalf of the Government of Manchoukuo, Tsai Yun-sheng L.S.

In behalf of the German Government, Dr. Wilhelm Wagner L.S.

Comments on Manchoukuo-German Trade Agreement

The Department of Finance and Commerce of Manchoukuo issued the following statement consequent upon the conclusion of the new trade agreement with Germany.

"In September, 1938, when the Manchou-German Trade Accord was signed, it was agreed that the two countries mutually make additional purchases of 63,000,000 yuan during the period of one year, over the amount under the previous agreement. In case imports of German goods into Manchoukuo preceeded the imports of Manchoukuo products into Germany, it was laid down that Reichsmark loans be extended to Manchoukuo to the necessary amount. As the 1938 agreement was expiring on May 31, the Manchoukuo Government entered into negotiations with the German authorities for the purpose of renewing the same arrangements for another year beginning June 1, 1939. It is a matter for mutual congratulation that a new agreement has now been signed between representatives of the two countries. It is satisfactory to think that Manchoukuo-German trade relations, based upon friendship between the two countries, will become closer than ever, through the operation of the new agreement.

"We may take this opportunity to survey the development of Manchoukuo-German trade since the first agreement was concluded between the two countries on April 30, 1936. During the one-year period following that date, Manchoukuo imports from Germany amounted to 13,000,000 yuan in value, while exports to Germany reached 53,000,000 yuan. Principal items of imports were machinery, 4,000,000 yuan; iron and steel, 2,000,000; dye-stuffs and paints 1,600,000 yuan; cameras, etc., 1,000,000 yuan. Exports comprised beans, 37,000,000 yuan; bean, oil 8,000,000 yuan; groundnuts, 5,000,000 yuan. During the second year of the trade agreement, Manchoukuo imports increased to 22,000,000 yuan, while exports to Germany rose to 60,000,000 yuan. Imports included machinery, 10,500,000 yuan; chemicals and paints, 3,300,000 yuan; iron and steel, 4,500,000 yuan. Exports consisted of beans, 42,000,000 yuan; bean oil, 7,000,000 yuan; groundnuts, 3,000,000 yuan, etc. In the eleven months ending April 30, Manchoukuo imports from Germany totalled 43,000,000 yuan in value, while exports to Germany amounted to 130,000,000 yuan. Imports comprised machinery, 29,000,000 yuan; iron and steel, 4,600,000 yuan; miscellaneous goods, 500,000 yuan. Principal items of exports during this period were beans, 110,000,000 yuan; bean oil, 8,500,000 yuan. With certain additions and subtractions, trade accounts between the two countries worked out as follows:

(In 1,000 yuan)

	German payments	Manchoukuo payments
First Year	63,000	13,000
Second Year	79,000	37,000
Third Year	139,000	86,000

"Such are, briefly, the results of the Manchoukuo-German trade agreements. A steady market is thus assured for Manchoukuo beans, enabling the country to maintain and improve the standard of life of its agricultural population, while the imports from Germany, consisting as they do of machinery, iron, steel, etc., are a great contribution to the progress of the five-year programme."

References:
Tables 1-9 Dept. of Fin. & Com., Manchoukuo.

CHAPTER XXIV

SANITATION

Public Health Organization

The supervision of public health is under the Public Health Bureau of the Civil Affairs Department. The Bureau consists of the General Affairs, Medical, Epidemic and Sanitation Sections. The provincial public health detachments have been increased in number since the establishment of Manchoukuo, and at present they are rendering active service in conjunction with the police corps.

In order to propagate sanitary idea among the people and improve their general health, the Government has established the "Kungyi" (public physician) system which is being put into practice according to the following plan:

1. One public physician to be appointed to each district (hsien);
2. The present plan to be executed within five years, inasmuch as it is difficult to cover all the district at the same time for financial and other reasons;
3. Besides carrying on his regular practice, a public physician is to take charge of matters relating to public health, sanitary investigation and medical affairs of the police;
4. Coupons for free medical treatment to be issued to the poor and needy.

Physicians

Physicians are classified into two categories, those of the native and western schools. At the end of 1937 there were in all 19,883 physicians of whom 2,510 were qualified practitioners of western medicine.

Table 1. Medical Organs in Manchuria

(Jan. 1938)

(A) Manchoukuo

	Hospitals		Clinics		Physicians			
Province:	State	Public	Public	Charity	Western style	Native style	Dentists	Pharmacists
*Hsinking	—	1	—	—	273	457	4	—
Kirin	1	1	12	7	171	2,982	2	32
Lungkiang	—	4	23	8	155	1,179	—	62
Heiho	—	—	7	2	8	36	2	—
Sankiang	—	—	13	7	115	472	3	—
Mutankiang	—	—	4	5	4	20	—	—
Pinkiang	—	3	12	5	457	3,046	141	296
Chientao	2	—	4	3	24	674	8	14
Tunghua	—	—	9	4	13	20	—	—
Antung	—	—	5	1	134	900	14	23
Fengtien	—	11	5	4	947	4,652	86	107
Chinchow	—	1	10	10	99	2,032	7	4
Jehol	1	—	14	6	77	750	7	13
Hsingan W.	—	—	6	—	4	55	—	—
" S.	—	—	5	1	8	64	—	—
" E.	—	—	4	—	1	25	—	—
" N.	—	2	5	—	20	10	—	—
Total	4	23	138	58	2,510	17,373	274	551

Note: * Special municipality.

(B) Kwantung

	No. of Hospitals		No. of Physicians	Dental Surgeons	Pharmacists	Midwives	Nurses
	Government	Private					
1934	5	9	101	71	64	247	589
1935	5	9	107	89	91	250	525
1936	5	9	189	123	88	215	478
1937	5	16	339	108	253	290	620

Diseases & Hospitals

Ailments reported in largest numbers are stomach, skin and respiratory diseases.

Hygienic administration in the Kwantung Leased Territory and the Railway Zone is controlled by the Police Bureau of the Kwantung Government and administrative measures in the Railway Zone are participated in by the local affairs department of the South Manchuria Railway. Quarantine and other hygienic matters in the harbours of Dairen and Port Arthur come under the jurisdiction of the Marine Bureau of the Kwantung Government. Bacteriological laboratories have been established by the South Manchuria Railway, Co. at Mukden, Yingkow, Antung, Hsinking and Fushun. To each laboratory medical experts and officers are attached to enforce epidemic prevention measures. While the Kwantung Government maintains five hospitals in the Leased Territory, the South Manchuria Railway has also established and maintains hospitals and their branches at twenty-four places, most of them in the Railway zone, besides maintaining several hygienic institutions. These Japanese hospitals, including those maintained by the Japan Red Cross Society, give medical treatment without discrimination to Japanese, Manchoukuoans and other nationals living in or outside the Railway Zone. In recent years, the number of Manchoukuoans utilizing these Japanese hospitals has gradually increased, their treatments by day reaching over a million a year.

Table 2. State Hospitals

(1937)

Location:	Physicians	Pharmacists	Nurses	Beds	Aggregated No. of Patients Treated: In-patients	Out-patients	Total
Kirin State Hospital	8	1	32	60	13,701	58,122	76,823
Chengteh "	4	1	12	30	5,782	26,188	32,071
Yenki "	4	1	18	11	195	1,157	1,353
Lungching "	6	1	30	10	671	2,003	2,620
Total	22	4	92	111	20,296	87,570	112,867

Table 3. Number of Physicians, etc. per 1,000 Inhabitants

Physician (Western style)	1.32
" (Native ")	4.18
Dentist	0.08
Pharmacist	0.16
Midwife	0.76

S.M.R. Hygienic and Sanitation Activities

Ever since its commencement three decades ago, the South Manchuria Railway Company has taken an active part in bringing about the observation and enforcement of the ordinary sanitation measures among a primitive population, and also in keeping a constant vigil over the possible outbreak of dreaded and deadly epidemics. In strict adherence to this principle, the Company has been playing an important role in carrying on free vaccination and various innoculations against epidemic whenever necessity arose. The systematic and scientific analysis of drinking water in the various localities is also a factor in the prevention of diseases. In the humanitarian enterprises of the elimination of epidemic diseases such as bubonic plague, the Company has spared no efforts and has even suffered the sacrifice of the lives of its countless research workers. Sensing the necessity of adequate hygienic facilities, the S.M.R. has undertaken to maintain 32 well equipped hospitals and 17 clinics besides despatching 29 physicians to the various points where railways have been constructed.

The Dairen Hospital, which was constructed and equipped by the South Manchuria Railway Company at the cost of ¥8,000,000, is one of the best hospitals in the Far East. It is an independent organization under the Company's supervision.

In order to make the hygienic facilities thorough, the Company has taken upon its shoulders the maintenance of bacteriological examination stations in six towns. Trained nurses are stationed in sixteen localities where no medical facilities are to be found and these are despatched upon regular visitations routes. The largest and the most outstanding of these hygienic facilities is the Hygienic Institute which has been founded for researches in the maintenance of health and the manufacture of various sera and vaccines for the prevention of diseases peculiar to Manchoukuo. The authorities concerned have been especially active and energetic in finding preventive measures, and already the bubonic plague which long existed in Manchuria has been almost conquered. The dreaded typhus and dysentery, too, have been controlled and what is more, energies are bent towards the extermination of contagious diseases among the live-stock.

Table 4. Number of Patients Treated by Public Physicians (1936)

	Manchoukoans: Male	Female	Others: Male	Female	Total
Constitutional Diseases	1,275	601	149	80	2,105
Psycosis	178	121	6	8	313
Nervous System	1,727	927	188	154	2,996
Circulatory System	1,380	1,225	109	91	2,805
Eye	3,493	1,674	320	205	5,682
Ear	1,639	749	280	172	2,840
Nose and Throat	1,581	894	357	233	3,065
Respiratory System	6,243	3,281	1,010	691	11,227
Digestive Organs	10,132	5,375	1,367	1,049	17,923
Tooth	1,236	672	254	160	2,222
Organs of Locomotion	1,402	583	119	51	2,195
Skin and Annexa	6,893	2,510	627	317	10,347
Urinary and Genital Organs	1,101	863	225	316	2,505
Wounds	5,142	881	639	168	6,830
Drowned, Frozen and Hung	41	25	5	—	70
Malformation	24	12	1	2	39
Childbirth and Pregnancy	—	864	—	497	1,361
Acute Poisoning	207	266	20	40	533
Chronic Poisoning	421	152	17	25	615
Tumours	381	183	23	16	593
Parasites	1,829	661	379	416	3,305
Beri-beri	111	17	85	102	315
Infectious Diseases	18,049	9,796	2,988	6,811	32,644
Unknown	410	122	18	13	563

Table 5. Notifiable Infectious Diseases

(A) Manchoukuo

	1936: No. of Cases	Dead	%	1937: No. of Cases	Dead	%	1938 (Jan.-May): No. of Cases	Dead	%
Typhoid & Paratyphoid Fever	6,228	1,004	16.1	14,850	2,423	16.4	2,167	229	10.5
Tyhus	4,496	763	17.0	7,349	1,025	13.9			
Dysentery	4,894	466	9.5	6,834	803	11.7	273	16	5.9
Smallpox	1,749	441	25.1	3,064	452	14.8	722	87	12.0
Pest	150	141	94.2	248	239	96.5	485*	436	90.0
Cholera	0	0	0	1	0	0	6*	5	83.3
Diphtheria	284	70	24.7	238	43	18.1	210	48	22.8
Epidemic Cerebrospinal Meningitis	185	40	21.6	103	20	19.4	105	27	25.8
Scarlet Fever	1,102	217	19.7	1,442	267	18.5	1,057	334	28.0
Total incl. others ...	19,088	3,115	16.4	34,129	5,272	15.5	5,669	1,065	18.7

Note: * January to end of September.

(B) Kwantung

	1932: No. of Cases	Dead	1935: No. of Cases	Dead	1936: No. of Cases	Dead	1937: No. of Cases	Dead
Typhoid Fever	134	26	322	56	682	93	382	62
Paratyphoid Fever	14	2	56	1	52	5	17	1
Tyhus	4	0	13	0	10	1	5	0
Dysentery	337	42	909	109	774	73	603	50
Smallpox	12	1	36	3	31	4	30	3
Pest	0	0	0	0	0	0	0	0
Cholera	16	4	0	0	0	0	3	2
Diphtheria	245	10	234	12	238	12	412	16
Epidemic Cerebrospinal Meningitis	8	5	17	12	11	6	15	7
Total incl. others	1,117	98	1,954	218	2,011	201	1,919	151

Scarlet Fever.—In Manchoukuo scarlet fever is regarded as an endemic diseases and is one of the five principal contagious diseases attacking children. In 1925 both the morbidity and mortality among the Japanese in Manchuria from this diseases were found to be the highest in the world. In view of the urgent necessity of checking and exterminating this malignant epidemic, the authorities concerned in 1926 organized a scarlet fever prevention committee, on which the research agencies throughout the country were represented, and entrusted to it the duty of scarlet fever. Research which proved highly fruitful was carried out at various places. The Hygienic Institute made a comparative study of many strains of hemolytic streptococcus from which it selected a strain producing the most potent toxin, and manufactured from this toxin an efficient, purified scarlet fever toxoid and a potent antitoxin. For the past several years children attending kindergartens and schools along the S.M.R. lines have been inoculated with scarlet fever toxoid, with remarkable results and scarlet fever which was dreaded ten years ago is thus today no longer feared by the public.

Glanders.—This epidemic is prevalent throughout the country and it is estimated that as many as 30 per cent. of the horses in North Manchuria are infected with this disease. Thanks to the preventive work being carried out by the S.M.R. Veterinary Institute in cooperation with the Glanders Investigation Institute recenty founded by the Manchoukuo Government, it is believed that it will not be long before this terrible form of animal epidemic will be wiped out from Manchoukuo.

Methods for Combatting Diseases

Plague.—Manchuria is one of the worst plague-infested countries of the world and no less than ¥2,000,000 has been spent by the South Manchuria Railway Company alone for the prevention of this dreaded epidemic. The first outbreak of the plague occurred in 1910-11 and, since then, the country has been visited by it ten times, with the loss of tens of thousands of lives. Through the efforts of the research workers of the Hygienic Institute in Dairen, it was discovered in 1928 that the western part of Manchuria near Taonan, Chengchiatun and Tungliao and adjoining Mongolia was the plague endemic area. This significant discovery was followed by the further revelation that the strange, acute contagious disease greatly feared by Manchurians and Mongols was in reality the plague.

For the prevention and cure of the plague, the Institute invented an efficient vaccine made from the residue of the plague bacillus after the bacterial cell substance had been extracted from it. In 1936 some 300,000 persons in the plague-infested districts in Manchoukuo were inoculated with this vaccine and thus many lives were saved. In 1934 plague investigation offices were established at Tungliao and Halahai.

Endemic and Epidemic Typhus.—Endemic typhus has frequently broken out in all parts of the country and is one of the dreaded contagious diseases in Manchoukuo. An eruptive fever somewhat similar to epidemic typhus has also since early times been known in the country. This disease is endemic and is popularly known as Manchuria fever or typhoid. The Hygienic Institute has devoted much time to the study of both of these diseases, but it was not until 1929 after exhaustive effort that the causative agent of the latter was finally discovered and named Rickettsia manchuriae.

Smallpox.—Unlike smallpox in Japan, this epidemic in Manchoukuo is practically prevalent all the year round. Up till the Manchurian Incident, the demand for smallpox vaccine was very small, only about 100,000 persons being vaccinated yearly, but since then it has markedly increased, and the Hygienic Institute at present supplies enough vaccine for inoculating 4,000,000 persons. The Hygienic Technical Institute, founded in 1936 by the Manchoukuo Government, is also actively engaged in smallpox preventive work, vaccinating several million persons annually. Through the active cooperation of these two institutions, it is hoped to rid Manchoukuo of smallpox before long.

In addition to the above-mentioned contagious diseases, studies are being carried on for the prevention of hydrophobia, diphetheria, typhoid fever, anthrax and dysentery.

Nutrition

The food and nutrition problem in Manchoukuo is receiving increasing attention because of its close relation to public health. Manchoukuo's peculiar natural and social environment and the marked difference in the characteristics of the various races inhabiting the country give an added complexity to the nutrition problem. Since 1929 the Hygienic Institute in Dairen has been investigating the food resources in Manchuria and studying the nutritive values of the staple articles of food of the Manchoukuoans, Mongols and Japanese. It has been making a comparative study of metabolism in the Japanese and Manchou races and endeavouring to improve their diets by discovering for each the most suitable nutritive foodstuffs taking into consideration the physical and social conditions of each race.

Furthermore, the Hygienic Institute has made a study of the children in Manchoukuo, especially Japanese, from the standpoint of dietetics and discovered that the constitutional defects and weaknesses of the latter, such as slenderness, rickety constitution, anaemia, tooth-caries, and myopy (near-sightedness), which make them easily susceptible to disease, are chiefly due to the scarcity of mineral substances and vitamins within their system. This in turn is caused by the restricted production and consumption of such indispensable articles of food as vegetables, fruits, milk and marine products, owing to natural and economic factors. In view of this factor the Hygienic Institute, for the past several years, has devoted much attention to improving the nutrition of the school children in Dairen and the S.M.R. Zone, especially giving nutritious food to children at school.

Environmental Hygiene

In the field of environmental hygiene,, the Hygienic Institute's efforts have been directed to the study of the housing problem, dust and smoke in cities, and water. For studying the housing problem, the Institute built within its compound twenty houses with various construction materials and studied the relation of the walls and roofs to the preservation of heat and to temperature and ventilation. The results of its investigation have been utilized in the construction of residences for S.M.R. employees, and in the improvement of farm-houses.

As regards the dust and smoke problem in cities, the City of Dairen, on the basis of investigations conducted by the Hygienic Institute during the past two years, has enacted Smoke Prevention Regulations and is doing everything in its power to purge the city of smoke and dust that are a menace to public health. Similar work is also being carried on in the other cities of Manchoukuo. Since the founding of Manchoukuo, the Hygienic Institute has been conducting an examination of water in all parts of Manchoukuo and also studying ways of purifying bad water. In the struma-infested Jehol district, the Institute has discovered that the prevalence of the disease is due to the lack of iodine in the system of the local population. For the extermination of this malady the Institute is supplying the inhabitants with jod-tablets, and also putting iodine into the water mains and wells.

Red Cross Medical Service.—The Japan Red Cross Society also is active in Manchoukuo. During the Russo-Japanese War, the Society engaged in relief work and medical treatment of the Chinese refugees. After the war the Chinese, the Russians and the Japanese in Manchuria, interested in the work of the Society, welcomed the establishment of its branch hospitals, of which there are now fifteen branch hospitals and thirteen sub-branches in different districts. The members of the Society in Manchoukuo gradually increased to 86,788 consisting of 43,072 Japanese, 43,716 Manchus, Russians and other nationals. The Society also engages in preventive measures and propaganda against tuberculosis, and sends its physicians to the interior, where medical treatment is given free of charge to the poor. At times of political disturbance, such as the commotion at Fenghuangcheng in 1912, the Chengchiatung incident in 1916, the first and second Mukden-Chihli collisions respectively in 1922 and 1924, Kuo Sung-ling rebellion in 1925, the Sino-Soviet dispute in 1929, and the Manchurian Incident in 1931, the Society extended the most liberal medical treatment and aid to the calamity-stricken troops and refugees. The Red Cross Society branches of Japan in Manchoukuo to-day have ten hospital equipments in Mukden, Dairen, Liaoyang, Chinchow, Chengchiatun, Tunghua and Imienpo.

Foreign Medical Institutions.—There are some fifteen medical institutions operated by foreign missions in Manchoukuo, of which the Shengching Hospital established by Dr. Dugald Christie of the Scottish Missionary Society in 1882 is one of the most noted institutions of its kind. Some 11 hospitals are operated by the British, two by the Danish, one by the Canadians and one by the French.

Table 6. Foreign Hospitals

	Location	Nationality
Christian Free Hospital	Hsinking	British
Hsinking Christian Hospital for Women	"	"
Hsinking Free Hospital	"	French
Christian Hospital for Women	Chinchow	British
Liaoyang Hospital for Women	Liaoyang	"
British Hospital	Hailung	"
Puai Hospital	Hsinminfu	"
Weimei Hospital	Hsinminfu	"

(Continued)

	Location	Nationality
Free Hospital of Tiehling Christian Church	Tiehling	"
Kaiyuan Christian Church Hospital	Kaiyuan	"
Fakumen Christian Church Hospital	Fakumen	"
Kirin Anglican Church Hospital	Kirin	"
Antung Danish Hospital	Antung	Danish
Hsishan Hospital	Hsiuyenhsiencheng	"
Chenghonan Hospital	Chenghonan	British
Tsichang Hospital	Lungtsingtsun	Canadian

OPIUM SMOKING

The opium smoking habit dates back to ancient times in Manchoukuo and is deeply rooted in the daily life of the people. Ever since the founding of the country, the Government have been engrossed with the eradication of this evil habit. By the general condition of the people, the authorities have found it advisable to prohibit the practice not immediately but gradually. Thus, while allowing the adult addicts to continue their habit by considering the drug as a sort of medicine to them, the Government have instituted a system for the relief of the addicts. The Government have also promulgated the Opium Law and Regulations for its enforcement and the Organization of the Opium Addict Infirmary. The six essential points regarding the Law Governing the Examination of Opium in Private Possession and Regulations Encouraging the Examination and Seizure of Illegal Opium are enumerated hereunder:

1. Officials of the Monopoly Bureau shall arrest any person deemed to have violated the provisions of the Opium Law and shall seize any opium and opium-smoking instruments found in his possession.
2. Officials of the Monopoly Bureau may conduct a search in case any person is suspected of having violated the provisions of the Opium Law, and may examine any such person or witness if it is deemed necessary.
3. In case officials of the Salt Administration or the Maritime Customs Service or revenue officers discover, in the course of execution of their duties, any person suspected of having violated the provisions of the Opium Law, they may act as an official of the Monopoly Bureau would in such cases.
4. Opium which is involved in any case of violation of the provisions of the Opium Law, or opium whose owner is unknown or opium, the whereabouts of whose owner cannot be traced, shall be called "ssu-tu" or illegal opium. Any person who informs the authorities concerned of the possession of "ssu-tu" by any individual, or any official concerned who conducts an examination and obtains seizure of "ssu-tu" shall be given a cash reward.
5. The seized "ssu-tu" shall be appraised by officials of the Monopoly Bureau, and a sum equivalent to six-tenths of the balance left after reducing storage, freight, and other necessary expenses from the appraised value shall be used for the payment of the cash reward.
6. A sum equivalent to seven-tenths of the entire cash reward shall be awarded the person who informs the authorities concerned of the possession of "ssu-tu" by any individual and a sum equivalent to three-tenths of the same shall be awarded the officials who engage in the examination and seizure of "ssu-tu."

Designation of Licenced Traders.—In pursuing the opium policy enumerated above it is supreme to restrict and control the production of the drug and its supply to the people and give full scope to the function relieving the addicts. As a step towards achieving these purposes, the opium monopoly system has been instituted. Opium can be supplied to the people only through the licensed trader to whom the drug is supplied by the Government. It is in the power of the Governors of the respective provinces to designate these licensed traders.

Issue of Certificates to Addicts.—Opium smoking certificates are given to the addicts. Only the holders of these certificates can obtain opium from the licensed traders and smoke it. So the number of opium addicts can be gathered from that of the holders of the certificates. The authorities are endeavouring to control secret smoking by spreading the issue of these certificates throughout the country. The issue of the certificates by jurisdiction is as follows.

Control of Poppy Cultivation.—For the purpose of controlling the domestic production of opium the Opium Monopoly Office designates every year the districts for poppy cultivation and the area of the farm according to domestic requirements.

Relief of Addicts.—The relief of the addicts together with the prevention of the growth of new addicts constitutes the premier object of the Opium Law. The issue of the opium smoking certificate to the addict is only a negative way of achieving the purpose. Therefore, on November 16, 1933 the Government promulgated the organization of the infirmary as stated already and their branches in ten places throughout the whole country.

Results of Relief.—The number of addicts is put roughly at 900,000, or about one-fortieth of the population. Adding thereto chronic smokers, the about 210,000 in number, the total is 1,110,000. Only about one-third of the addicts are possible of being cured, the rest being all but hopeless.

Table 7. Statistics of Narcotic Stations

(A) Opium Addicts

	Patients accepted	Aggregate No. of patients accepted	Left Hospital: Cured	%	Left Hospital: Others	%	Average Days required for treatment
1934	783	24,242	641	80.0	80	10.2	30
1935	1,569	42,855	1,391	87.1	85	5.4	27
1936	1,789	43,317	1,563	85.8	86	4.8	24
1937	1,582	45,831	1,209	76.0	109	6.8	28
Total	5,722	156,245	4,804	82.2	360	6.8	27

(B) Narcotic Addicts

	Patients accepted	Aggregate No. of patients accepted	Left Hospital: Cured	%	Left Hospital: Others	%	Average Days required for treatment
1934	2,649	82,367	2,295	86.7	115	4.2	31
1935	2,564	73,753	2,207	86.1	182	7.1	29
1936	2,178	81,897	1,822	83.6	162	7.4	38
1937	1,870	83,923	1,578	84.3	220	11.6	44
Total	9,261	321,940	7,902	85.1	679	7.6	36

New Medical College

For the improvement of national health, and especially for the successful realization of the ten-year anti-narcotics plan which was launched in 1937 in order to eradicate narcotic evils, Manchoukuo is in need of a greater number of efficient doctors. Such being the case, the government decided in 1938 to raise the medical school at Hsinking to college standing.

References:
Table Nos.: 1 a & b, 2-4 a, 5 a & b, 6-7 a.
Key: a—Dept. of People Welfare, Manchoukuo,
b—Kwantung Bureau.

CHAPTER XXV

PRINCIPAL CITIES

(Including Kwantung Leased Territory and former S.M.R. Zone)

Hsinking

Location.—Being the northern terminus of the S.M.R. main line, Hsinking, the Capital of Manchoukuo, is located at a point 43° 55′ N. Lat. and 701.4 kilometers north of Dairen. The total area of the city, is 437 square kilometers, composed of the former S.M.R. Zone (55.9 sq. kilometers) old city including Kuanchengtzu (11.08 sq. kilometers), the new city (83.33 sq. kilometers), and surrounding agricultural districts (337.0 sq. kilometers).

Climate.—The climate of the city nearly resembles that of Tokyo, July being the hottest month of the year. The temperature begins to fall about the middle of August, it sometimes declining as low as 30° below zero in winter.

Population.—The population of Hsinking was returned at 355,431 as at the end of May, 1938, of which 273,587 were Manchoukuoans, 83,947 Japanese subjects including 8,467 Chosenese, and 800 white Russians. Compared with figures of 1932, it shows a gain of more than 200% in total, and an increase of 300% in the number of Japanese residents.

History.—Hsinking, formerly called Changchun, is a relatively new city, having a history of only 100 years or so. In old times, this area, it is said, formed a vast pasturage for Mongolians. Later under the Han dynasty of China, Chinese farmers immigrated there and set up a small town called Changchunpo at a point 10 Chinese miles north of the present Hsinking. Under the Ching dynasty, the town was selected as the seat of local government. By virtue of the Sino-Russian Treaty of 1899, Czarist Russia extended the defunct Chinese Eastern Railway southward to PortArthur and Dairen, following which the town began suddently to develop as the local centre. Simultaneously with the creation of Manchoukuo, it was designated as the capital and its name was changed from Changchun to Hsinking (New Capital).

Principal Official Institutions.—(Manchoukuo side): Imperial Palace, Department of Imperial Household, Privy Council, Legislative Council (Yuan), Council of State Affairs, Supreme Court, Supreme Procurate, High Court, High Procurate, State Secretariat, General Affairs Board, Bureau of Legislation, Department of People's Welfare, Foreign Office, Department of Public Peace, Department of Economics, Department of Industry, Department of Communications, Department of Justice, Central Bank of Manchou, Industrial Bank of Manchou. (Japanese side): Headquarters of the Kwantung Army, Embassy, Consulate-General.

New City Planning.—As a result of the five year construction plan which was completed in 1937 the city of Hsinking has been greatly transformed. When the grandiose plan projected in 1932 is completed the city will cover an area of 200 square kilometers. The city converges at Tatung Circle from which broad highways radiate in four directions. The private and public buildings that were erected by the end of 1937 numbered 6,700, costing M¥60,000,000. If roads, water supply system, and other public utilities are added to this sum, the total cost is estimated to be M¥200,000,000.

The network of roads completed up to December, 1937 covered an area of 5,605,885 square meters, of which 1,390,813 square meters were paved. Their total length was 312 kilometers, which is equal to the distance between Hsinking and Mukden.

In that section of the Tatung Avenue from Tatung Circle north to its junction with the Chuo-dori the greater efforts in construction from 1932 to 1938 were centered. Much attention has been paid to parks. Five large parks, Tatung, Paishan, Mutan, Shuntien and Hoshun have been laid out, while another, Huanglung, is in process of completion. Apart from these parks, there is the huge Hsinking Stadium at Nanling. Covering an area of 1,500,000 square meters, the sports center, upon its completion will become one of the largest and best equipped stadiums in Asia. Compared to foreign municipalities, Hsinking has set aside 7% of its city area for parks, playgrounds and stadiums against 2% of Berlin, 2.8% of Tokyo, 1.4% of Washington, and 9% of London.

Hsinking possesses the best water supply system in Manchoukuo. Good pure water comes from the Chingyuehtan reservoir in the suburbs of the city. Covering an area of 78 square kilometers, the reservoir utilizes water from a tributary of the Itung River, and enough water is stored to supply a population of half a million. Even if the population should increase to one million, there will be no fear of water shortage as two other water sources are available, namely, the Yinma River and artesian well potentialities.

Taking all factors into consideration, Hsinking is not intended for an industrial city. In fact, it is expected to become a light industrial center. Industrial plants will be centered in the northern section of Hsinking, but in the future the South Station area will perhaps become the central industrial district.

Educational Institutions. — (Former S. M. R. Zone): Hsinking Commercial School, 2 Girls' High Schools, 5 Primary Schools, Hsinking Public School, Hsinking Girls' Vocational School, Hsinking Industrial Supplementary School, Hsinlic School, Hsinking Girls' Vocational School, Hsinking Library (Walled town): 1 normal school, 1 girls' school, 1 middle school, 16 primary schools, Tatung College (Daido Gakuin, a college under Japanese management).

Communications.—Besides being the northern terminus of the S.M.R. main line, Hsinking is the starting point of the Hsinking-Tumen railway, the Hsinking-Harbin Line and the Hsinking-Paichengtzu Line. Further, the North Manchuria Railway, formerly called the C. E. R., connects with the S.M.R. main line at this city. Regular omnibus services run from the city to Itung, Kirin province, Shuangyang, Kirin province, and Nungan, Fengtien province. Plans are under way to open new omnibus services to many other towns in the vicinity. Regular air services, managed by the Manchurian Air Transport Company, are also available for Dairen (daily, Harbin, Tsitsihar and Tumen.

Telephony, Telegraphy and Radio Broadcasting.—Postal, telegraphic and telephonic matters are under the separate management of the Manchoukuo Government and the Government of the Kwantung Leased Territory. A direct Japan-Manchoukuo telephonic service was opened to the public on August 1, 1934. The Hsinking Radio Broadcasting Station commenced operation on March 10, 1933.

Principal Products.—The city is a local distributing center of soya beans, kaoliang, millet, wheat, maize, rice, vegetables, lumber and livestock. Matches, bean oil, bean cakes, wheat flour, tobacco, ceramics and cotton piece-goods are the main products of the city.

Vernacular Papers and News Agencies.—Manchoukuo News Agency, Hsinking Nippo (Japanese language), Hsinking Nichi Nichi Shimbun (Japanese language), Tatung Pao (Manchurian language), Manchuria Daily News (English).

Shrines and Temples.—Hsinking Shrine, Higashi Honganji temple, Nishi Honganji temple, Changchun temple, Taishoji temple, Kongoji temple, Kyo-o-ji temple, Myohoji temple (Nichiren sect of Buddhism), Tairiku (continental) Church, Changchun branch of the Japan Holiness Church, Japan Christian Church, preaching hall of the Konko Teaching (Shintoism).

Principal Public Facilities.—City waterworks and sewage system, parks, horse race course, golf links, meteorological observatory, city hall, botanical garden, public playgrounds, slaughter-houses, garbage dumps (either completed or under construction).

Harbin

Location.—Situated on the right bank of the Sungari river, Harbin is 795.6 kilometers west of Vladivostok, 951 north of Dairen and 240 north of Hsinking.

Climate.—Highly continental, the climate is subjects to severe changes in summer and winter. Because rainfall is scarce, the atmosphere continues considerably arid throughout the year with a surprisingly long spell of fine days. The mercury declines often to 40° below zero in winter and rises to 38° in summer.

Population.—The population of the city as at the end of June, 1938 was returned at 467,453 comprising 101,393 households and including 29,876 Japanese, 5,128 Chosenese and 27,291 white Russians.

History.—Harbin or as it is often called Pinkiang was only a small village between 30 and 40 years ago. Following the installation of the Chinese Eastern Railway, this village developed by leaps and bounds as the central base of Czarist activities in Manchuria. Because the city was planned along the lines of Moscow, it smacks strongly of a Russian city. The city is divided into six sections, namely, the new town, the mart, Machiakou, Chuanchiatien and the Russian town. Following the creation on December 1, 1934, of Pinkiang Province, Harbin was designated as the seat of the provincial government.

Vernacular Papers. — (Japanese language): Harbin Nichi Nichi Shimbun, Harbin Shimbun, Harbin Staple Produce News Agency. (Manchurian language): Kuochi Hsieh Pao, Tapei Hsin Pao, Harbin Kung Pao, Pinkiang Jih Pao, Wu Pao. (Foreign): 5 Russian-language and 2 English language (Harbin Daily News and Harbin Observer).

Communications.—Railway: (1) Pinsui Line, (2) the Lapin Line, (3) Pinpei Line, (4) Pinchow Line, (5) Kingpin Line. Marine transport: Steamships and junks plying between the city and all important towns facing the Sungari river and its diversified tributaries. Air services: Regular services operated by the Manchurian Air Transport Company, with Manchouli via Tsitsihar and with Dairen and Shingshu (Korea) via Hsinking and Mukden. Means of city communications: Tramcars, automobiles, omnibuses, rickshas and sleds (in winter).

Principal Products:—Soya beans, bean oil, bean-cake, wheat flour, tobacco, cotton piece-goods, furs, leather, beer, beet sugar, veneer, lumber, woollen piecegoods, soap, candles, jewelry, confectionary.

Temple and Churches: — Higashi Honganji temple, Greek Orthodox Church, Jewish Church, Mohammedan Church.

Kirin

Location.—An important city facing the Sungari river, Kirin is 447.6 kilometers from Mukden, 400.3 from Tumen and 127.7 from Hsinking.

History.—Kirin is the capital of Kirin province, its original name being Kirinniaola. It has been the seat of prefectural government for the past 260 years. In 1929, when Manchuria was still under the militarist regime of the Changs, its name was changed to Yenki, but following the creation of Manchoukuo, its name was officially resumed.

Population.—The total number of citizens at the end of May, 1938 was 132,279 including 10,115 Japanese and 3,397 Chosenese.

Communications.—The city is the terminus of three railways, that is, the Kirin-Hsinking (128 kilometers), Kirin-Hailun (158 kilometers) and Kirin-Tunhua lines. River transport facilities are also available. Automobiles, carriages and rickshas are the principal means of communications within the city.

Vernacular Papers. — (Japanese language): Shoko Shimbun, Kirin Jiho. (Manchou language): Kirin Jih Pao, Tung Sheng Jih Pao, Ta Kirin.

Principal Products.—Wood, sleepers, mine-pillars, match sticks, soya beans, red beans, millet, tobacco, hemp, rice, carrot, medicinal herbs, honey, leather, furs, farm implements, charcoal, chinaware, fish.

Shrines and Temples.—(Japanese side: Higashi Honganji temple, Nishi Honganji temple, preaching post of the Nichiren Sect of Buddhism, Tenri church. (Manchoukuo side): Kuangchi temple, Paochenko temple, Chingchen temple, Catholic church, Christian church.

Tunhua

Location.—Situated on the left bank of the Mutankiang river, Tunhua is one of the most important towns in Kirin province, it being 132 Chinese miles southeast of Kirin. It is the center of the so-called Tunhua basin.

Climate.—The maximum temperature in summer is 33° C. and minimum in winter falls to 30° below zero. Although the town is geographically shielded from the atrocity of severe winds, the rainfall is relatively frequent.

Population.—At the end of June, 1938 the population of the town was 76,678 comprising 13,789 households and including 2,517 Japanese and 7,766 Chosenese.

History.—This town it is said, was the birthplace of the ancestors of the Ching dynasty of China. Originally, it was called Aotungchen, but during the latter part of the Ching dynasty, it was rechristened Tunhua. In 1882, it was designated as the seat of prefectural government. Following the opening of the Kirin-Tunhua and Kirin-Changchun railways, the town began to develop steadily.

Communications.—The town is the terminus of the Kirin-Tunhua railway and the starting-point of the Tunhua-Tumen light railway.

Yenki (Chuyinglintzu)

Location.—A town along the Hsinking-Tumen railway, Yenki is 476.2 kilometers east of Hsinking and 51 kilometers from Tumen. Only eight miles north of this town is Lungchingtsun, a town on the Kirin-Korean border.

History. — Formerly, the town was called Chuyinglintzu which still is commonly used by the local populace. Yenki has long been the political and economic centre of the Chientao district in competition with Lungchingtsun which is the local commercial centre. In 1913, the town was designated as the seat of prefectural government, following which it began rapidly to develop along modern lines. The discovery of the Tienpaoshan mines added further to the prosperity of the town with Shantung coolies thronging the district in large numbers. With the erection of the Hsinking-Tumen line as a turning-point, Yenki further developed by leaps and bounds. Many Japanese and far more Koreans are active in the district, engaging mostly in agriculture and commerce.

Population.—The population of the town as at the end of June, 1938 was 35,035 comprising 5,793 households and including 3,778 Japanese.

Principal Institutions. — (Japanese side): Branch-consulate, branch of the consular police, garrison, residents' association, Trading Credit Co., Yenki Electric Light Co., primary schools, hospitals, branch of the Kokusai Unyu Kaisha. (Manchoukuo side): Government of Chientao province, municipal office, public safety bureau, high court, garrison headquarters, middle schools, normal school.

Communications.—The town is connected with Korea and Manchoukuo proper through the Hsinking-Tumen railway. Regular omnibus services run to Lungchingtsun, Paitsaokuo and Tumen. The Tienpaoshan light railway also runs through the town.

Principal Products.—Soya beans, rice, millet, kaoliang and other cereals.

Tumen

Location.—Tumen is the southern extremity of Kirin province and faces Nanyo, Korea, across the Tumen river. It is a town set up on the delta—2.5 by 3 kilometers, which is sand-witched between two affluents of the Tumen river.

Climate.—The temperature in summer does not go up very much but in winter it falls to between 20° and 30° below zero. Rainfall is frequent.

Population.—The total number of citizens in September, 1938 was 26,306 including 3,481 Japanese and 20,686 Chosenese.

Port Arthur (Ryojun)

Location—The city is located on the southern tip of the Liaotung peninsula facing Weihaiwei and Chefoo on the Shantung peninsula across the Gulf of Pechili. Surrounded by mountains on all sides but one, the city is stretched out from east to west and is endowed with a good natural harbour with its entrance between the Lachuwei peninsula and the Huchin mountain measuring only 330 meters.

Climate.—The climate of Port Arthur is most favourable throughout Manchuria, the average temperature being in the neighborhood of 10° C. The lowest temperature registered during 1933 was 16° 4′ below zero in the month of January and the highest 35° 2′ in the month of July. Because it is the southern extremity of Manchuria facing the sea, the city is popular as a summer or winter resort.

Population.—The total population of the city as at the end of August, 1938 was returned at 145,286 including 131,713 Manchoukuoans, 13,391 Japanese and 152 Chosenese.

History.—In old times, the city was called Manshihchien and under the Chinese Sui and Tung regimes of the Middle Ages, Tulichen and Shintzukow respectively. Following the advent of the Ming dynasty, its name was changed to Lushun. In 1858 when China was ruled by Emperor Wensung, a British fleet commanded by Admiral Sir Michael Seymour seized possession of the city.

Following the construction in 1897 of a Chinese naval base there, the old Peking Government newly organized the so-called Northern Squadron under the command of Admiral Ting Ju-chang who took up his headquarters at Port Arthur. At that time, the city was commonly acknowledged as one of the five best ports in the world. During the Sino-Japanese War (1894-5), the Chinese armada of more than 30 warships under Admiral Ting and with Port Arthur and the Gulf of Pechili as its base of operation, was defeated by the Japanese fleet. After the termination of the war, the port fell under Japanese control for some time, but was finally returned to China through the Three Power Intervention.

By virtue of the so-called Cassini Treaty signed secretly between China and Czarist Russia in 1896, the latter took control of Port Arthur as its naval base of operation in the Far East. During the Russo-Japanese War, however, the port came under Japanese occupation, following which military administration was proclaimed. On September 1, 1906, the Port Arthur Civil Administration Office was inaugurated as a sequel to the abolition of military administration. With a Japanese naval depot, the city is of considerable strategic value.

Communications. — Port Arthur is connected with Dairen through the Port Arthur branch line of the S.M.R. An omnibus service is also available between the two cities along a highway. As means of marine traffic, small steamers and junks ply between the city and other ports on the Liaotung peninsular and those on the Shantung peninsula.

Principal Public Facilities.—Waterworks and sewage system; public playgrounds; sea-bathing places; youth training institutes; two parks; one light-house, crematoria; garbage dumps; fish and vegetable markets; nurseries; five official and private hospitals.

Principal Products. — Vegetables, peaches, pears, silk yarns and piece goods, salt and poultry.

Shrines and Temples.—The Paijushan Charnel-house; branch of Izumo shrine; Nishi and Higashi Honganji, Eigenji, Ryushinji, Myoshinji, and Nishin temples.

Dairen (Dalny)

Location. — Dairen is also situated on the southern tip of the Liaoung peninsula, lying at a point 36° 56′ N. Lat. and 120° 36′ E. Long. Latitudinally, its position is similar to that of Tsuruoka, a city in Yamagata prefecture, Japan, and longitudinally, Taihoku, the Formosan capital. To the south of the city rise Mt. Nanshan and Mt. Lushan. In the north it faces the Bay of Dairen.

Climate.—The climatic condition of the city is better than any other parts except Port Arthur, the temperature averaging 10° C. July is the hottest month of the year with an average temperature of 28° 9′ and January the coldest with an average temperature of 10° 4′ below zero.

Population.—The total population of the city as at the end of July, 1938 was 515,743 of which 351,919 were Manchoukuoans, 158,223 Japanese and 3,900 Chosenese.

History.—Formerly, Dairen was only a small fishing village, named Chingniwa. When the allied troops of Britain and France advanced on North China in 1858, the British fleet in China waters occupied this bay as its base of operation and renamed it Victoria Bay. This heralded the introduction of Western civilization to Dairen.

Later, Marshal Li Hung-chang, Governor-General of Chihli province, was transferred to Shantung province, and erected fortresses and piers at this point and turned the city into a naval base. After the Sino-Japanese War, Kwantung province was ceded to Japan by dint of the Shimonoseki Treaty, but following the Three Power Intervention Japan returned the territory to China.

In 1898, Czarist Russia leased this port and managed it along the lines of modern city planing after renaming it Dalny. During the Russo-Japanese War, the Japanese Army occupied it. On the anniversary in 1905 of the founding of the Japanese Empire, the headquarters of the Japanese Army operating in Manchuria against the Czarist troops changed the name of the harbour from Dalny to Dairen. In June, the same year, the Kwantung Civil Administration Office was organized under the direct supervision of the Army. The following year witnessed the establishment of the Government of the Kwantung Leased Territory. Simultaneously, the Dairen Civil Administration Office was brought into being. Since that time, Dairen has played an important role in Oriental trade as the only free port.

Principal Public Facilities and Schools.—Waterworks and sewage system; 5 sea-bathing places; 3 middle schools; 7 girls' higher schools; one technical school; 3 commercial schools; 17 primary schools; 5 Kogakudo; 4 youth training institutes; 3 nurseries; 5 municipal markets; municipal apartment houses; public pawnshops; municipal employment offices;6 parks; slaughter-houses; 2 crematories; garbage dumps and 1 light-houses.

Communications and Traffic.—The S. M. R. main line starts at Dairen. The city is 650 nautical miles from Moji (Japan), 530 from Shanghai and 247 from Tientsin. Within the city, houses, tramcars, carriages and rickshas are running.

Principal Vernacular Papers.—The Manshu Nichi Nichi, Manshu Ho, Taito Nippo, Kanto Ho, and the Manchuria Daily News (English).

Chinchow

History.—Chinchow is the oldest of all towns in Manchuria. It is said that its creation antedates the history of modern Manchuria, but historians trace back its advent to the Liao era of China. Because of its antiquated origin, the town is characterized by the dignity and composure which the other towns of Manchoukuo lack, and is blessed with scenic beauty. As it is situated in relatively close proximity to Dairen, the town is frequented by Japanese holiday-makers.

With various modern enterprises developed there in recent years, Chinchow is gradually assuming the dimensions of an industrial city. From the point of view of communication, it is quite important as the starting-point of the Chinfu (Chinchow-Chengtzutung) Railway. The town is also famous for a scene of fierce fighting during the SinoJapanese and Russo-Japanese Wars.

When the Kwantung Territory was leased by Japan after the end of the Russo-Japanese War, the Chinchow Military Administration Office created during the war was abolished, followed by the proclamation on May 18, 1905, of civil administration.

Population.—The total number of citizens as at the end of June, 1938 was 104,935 including 8,489 Japanese and 599 Chosenese.

Communications.—The S.M.R. main line runs through the town from south to north. The town is the starting-point of the Chinfu railway. It also is connected with Dairen and Pulantien through regular omunibus services managed by the South Manchuria Electric Company.

Principal Products. — Vegetables, grapes, pears, apricots, coccon raising, stock-raising and mining.

Pulantien

Location. — Pulantien is the northernmost town of Kwantung Leased Territory.

History.—It is said that the town derives its name from the Mongolian language. Its creation dates as far back as the Ming dynasty of China. Relatively small though it is, the town is the center of economic activity in the locality.

Population.—Official statistics taken at the end of July, 1938 place the population of the town at 10,131 of which 1,020 were Japanese.

Principal Institutions.—The Pulantien Civil Administration Office; post-offices; branch of the Industrial Bank of Manchou; branch of the Dai Nippon Salt Industry Co.; the Pulantien Electric Light Co.; parks etc.

Communications.—The town is serviced by the S.M.R. main line. It is quite conveniently located with omunibus services available regularly with all important towns in the vicinity.

Main Products.—Peanuts, rice, cotton, vegetables, pears, salt and mineral products including, gold, iron and manganese.

Wafangtien

Location.—A town along the main line of the S. M. R., Wafangtien is located at a point 65.2 miles from Dairen and 181.2 from Mukden. it is built up on a basin surrounded on all sides by mountains and watered by the Huitao river.

History.—When Czarist Russia held a position of predominance in Manchuria before the Russo-Japanese War, Wafangtien, along with Kungchuling and Liaoyang, was one of the three biggest towns on the southern sector of the old Chinese Eastern Railway, managed on quite a large scale with a huge locomotive depot, Russian troops barracks and other important institutions. The town still is as important for the S.M.R. as it was for the Czarist Chinese Eastern Railway.

Situated just in the heart of Fu hsien (county), it is within easy access from all other parts of the prefecture. This accounts for the fact that just before the outbreak of the Manchurian Incident all the prefectural government offices of the Chang military regime were moved from Fuchou to Wafangtien, adding a great deal to the geographical importance of the latter.

Population.—The total number of citizens as at the end of Aug. 1938 was returned at 19,991 including 2,660 Japanese.

Principal Institutions.—(Manchoukuo side): The Government of Fu hsien, police station, revenue office, chamber of commerce, post-office, argicultural association, prison. (Japanese side): Garrison, post-office, branch office of the SM.R. Co., district procurator's office, locomotive depot, primary and other schools, kindergarten, libraries, branch of the Industrial Bank of Manchou, S.MR. hospital, Wafangtien shrine, branch of the Higashi Honganji temple, Kyoto, Nippon-san Myohoji temple and preaching post of the Sodo sect of Buddhism.

Communications.—Wafangtien ranks among the principal towns on the S.M.R. main line. Regular omnibus services under Manchou management are in operation from the town to Pitzuwo, a port facing the Yellow Sea, and Fuchou, the former capital of Fuhsien.

Principal Products.—Apples, pears, strawberries and other kinds of fruit.

Hsiungyuehcheng

Location.—Hsiungyuehcheng is the westernmost town of the Kwantung Leased Territory, facing the Gulf of Pechili and situated at a point 110.7 miles from Dairen and 135 from Mukden by the S.M.R. main line. The creation of this walled town dates as far back as the Han dynasty of China. It is very well known as a hotspring resort. Before the Russo-Japanese War, the hot spring there had been left in their antiquated form with no modern facilities available.

In 1906 after the termination of the war, Japanese troops garrisoning there introduced modern bath-tubs, following which a number of hotels were built there. The hot springs are located along the Hsiungyueh river less than two miles to the southeast of the town. Sand-baths are in vogue there and all visitors are admitted free. Hence, in the hot seasons, hundreds of people from all parts of Manchuria throng the place daily. The hot water springs in abundance from underneath the river and its vicinity is wellnigh crystal, containing a small amount of hydrogenous sulphide and alkali. The average temperature of the water is 50° C. and is credited with a remarkable medical virtue for rheumatism, stomach and other diseases.

Population.—The population of the town, according to official statistics taken at the end of July, 1938, numbered 10,231, comprising 1,711 households and including 588 Japanese subjects.

Principal Institutions.—Post office, branch office of the S.M.R. Co., Agricultural training institute, primary schools, kindergartens, S.M.R. experimental farms, Hsiungyuehcheng Industrial Development Co., branch of the Manchuria Telegraph and Telephone Co., Hsiungyuehcheng shrine and branch of the Honganji temple (Kyoto).

Communications.—The S.M.R. main line is the sole means of communication available for the town but in spring and summer, special excursions trains are run between the town and

Dairen.

Products.—Apples, pears and other kinds of fruits.

Tashihchiao

Location.—Being the pivotal point of the Liaotung peninsula, Tashihchiao adjoins three important counties, Haicheng, Yingkow and Kaiping, and across them, confronts Hsiuyen, Shuanho and Fuhsien. The town is 148.8 miles away from Dairen and 97.6 from Mukden.

Climate.—The climate is continental, the lowest temperature, however, hardly going down below 20° C. below zero and the highest hovering along the level of 30°. Rainfalls are scarce.

History.—Formerly, Tashihchiao was only a small village along the road between Yingkow and Hsiuyen. The town derives its name from the stone bridge over a river flowing in the vicinity, from which Emperor Tasung of the Chinese Tung dynasty while proceeding to Korea on a punitive expedition, it is said, was thrown off his horse into the river. The word, Ta, stands for big, shih stone and chiao a bridge.

This village suddenly developed into a brisk town following the creation by the Czarist Government of the southern line of the Chinese Eastern Railway which was provided for in the Russo-Chinese Treaty of 1898. During the 34 years which have passed since the termination of the Russo-Japanese War, the town has been modernized in a surprising measure for which the S.M.R. is primarily responsible. Prospering as it does at present, the town is the center of economic activities in the locality.

Population.—The number of citizens in the S.M.R. Zone as at the end of Aug. 1938, was returned at 132,082 comprising 22,816 households and including 3,435 Japanese.

Communications.—The S.M.R. main line branches off here and leads to Yingkow. Modern highways have been built to connect the town with various strategic places in the neighbourhood such as Haicheng, Hsiuyen, Wanfushuan, Shuanho, Shaling, Kaiping, Wafangtien, Newchwang and Panshan.

Principal Products.—Magnesite and other mineral products, cotton, cocoons, salt, fruits and vegetables.

Temples and Shrines.—Tashihchiao shrine, Choko Temmangu shrine, Inari shrine, Higashi Honganji temple, Banryu temple (Jodo sect of Buddhism), Catholic and Christian churches.

Anshan

Location.—Situated in the southern part of Liaoyang hsien, Fengtien province, Anshan is 192 miles to the north of Dairen whence the S.M.R. main line starts. The city covers altogether an area of 47,000,000 square meters.

Climate.—In January, the coldest month of the year, the thermometer often goes down as low as 20° C. below zero. June is the hottest month, when the temperature goes up as high as 37.5° C.

History.—The modern history of Anshan as a mining center dates back to August 1908 when a geologist of the S.M.R. Co., despatched to Anshan to investigate drinking water condition, accidently overherd of a small hill then called "hill of iron-stone." Investigating into the matter he finally succeded in locating a rich deposit of iron ore. Since then eleven other mining lots were discovered one after another. The total deposit of the metal is estimated at 646,000,000 metric tons. With the establishment of the Anshan Iron Works by the S.M.R. in 1917, the small village of Anshan has gradually developed. In 1931 this enterprise was obliged to suspend operations owing to the outbreak of the Manchuria Incident. In 1933 with its reorganization into the present Showa Steel Works, this small town finally entered its present stage of expansion. As the result of the abolition of extraterritoriality in December 1937, all the administrative organizations then existent were transferred to a newly organized city municipal body.

Population.—The population as at the end of June, 1938 was 120,235, comprising 21,901 households and including 25,429 Japanese and 900 Chosenese.

Communications.—The S.M.R. main line is the only means of communications available for the town. The number of city telephones is 818, of which 250 are owned by the Showa Iron and Steel Works and offices of the S.M.R.

Principal Products.—Iron, steel, coal, ammonium sulphate, benzol, naphthaline, pitch.

Vernacular Paper.—The Anshan Nichi Nichi Shimbun.

Shrines and Temples.—Anshan shrine, Higashi Honganji temple, Nishi Honganji temple, preaching post of the Sodo, Shingon, Nichiren sects of Buddhism and of the Tenri and Konko teachings.

Liaoyang

Location.—Liaoyang is situated at a point 206.4 miles from Dairen and 40 miles from Mukden.

History.—Liaoyang is one of the oldest towns in Manchuria, and was the seat of government under many Chinese regimes of old times. Hence, it is possible to study the history of Manchuria through that of this walled town. There are many places of historic note inside and outside the town.

While Czarist Russia held sway over Manchuria, the town was the principal point of strategic importance for Russian activities in the East as one of the three biggest towns along the southern sector of the old Chinese Eastern Railway, which was ceded to Japan after the Russo-Japanese War. Even at present, the town is of much strategic value for the Japanese Army.

Population.—The total population of the city as at the end of June, 1938 was 89,726 of which 4,771 were Japanese and 384 Chosenese.

Vernacular Paper.—The Liaoyang Mainichi Shimbun (Japanese).

Suchiatun

Location.—Suchiatun is situated at a point 9.7 miles to the south of Mukden and 236.7 to the north of Dairen. It is an important town from the point of view of communications, because the Antung-Mukden line branches from the S.M.R. main line here.

Population.—Statistics taken at the end of July, 1938, showed that the total number of citizens was 17,562 including 3,700 Japanese.

Fushun

Location.—Fushun is 35 kilometers east of Mukden and is famous for its vast coal-field.

Climate.—Because it is surrounded on all sides by mountains, it is well sheltered from wind. The temperature in winter often shows 10° below zero and in summer it does not exceed 37° C.

History.—Before the Russo-Japanese War, Fushun was a sparsely populated village, but it made epochal development after the S.M.R. Co. began to exploit the coal deposits there. In 1920 when the S.M.R. commenced the so-called opencut or surface mining method on a gigantic scale, the company purchased the whole town, heralding the modernization of the entire district.

Population.—There were 214,670 inhabitants at the end of June, 1938 of which 26,350 were Japanese and 6,398 Chosenese.

Communications.—The S.M.R. main line branches off at Suchiatun and leads to Fushun. A tramcar service is in operation connecting the coal-field with the residential quarters of the town. Omnibuses, rickshas and carriages are the means of traffic within the town. The number of telephone subscribers is 1,849.

Principal Institutions. — Waterworks and sewerage systems, S.M.R. hospital, 4 primary schools, 1 middle school, 1 girls' higher school, 4 kindergartens, 4 parks, 1 Kogakudo, 1 engineering training institute, library, cemeteries.

Principal Products.—Coal, heavy oils, ammonium sulphate, ceramics and bean cakes.

Vernacular Papers.—The Fushun Shimpo (Japanese language, the Fushun Min Pao (Manchurian language).

Shrines and Temples.—Fushun shrine, Honganji temple, preaching post of the Jodo sect of Buddhism, Zenshoji temple (Sodo sect), Henshoji temple (Shingon sect), Catholic and Christian churches.

Mukden (Fengtien)

Location.—Lying on a vast prairie embraced by the Shen-shui (Hun) river, a tributary of the Liao river Mukden is 419.6 kilometers from Shanhaikwan, 397 from Dairen, 305 from Hsinking and 276 from Antung. As one of the principal industrial cities in Manchuria, its geographical position is ideal. It cover an area of 262 square kilometers, including the S.M.R. zone which was transferred to the municipality since the abolition of extraterritoriality in December, 1937.

Climate.—The climate of the city has continental features characteristic of Manchuria. The highest temperature during 1933 was 35.7° C. registered on July 17 and the lowest 27.9° below zero registered on February 18. Humidity ranges from 20 to 60 per cent. The rainy season sets in towards the end of July and lasts a month.

Population.—The total population of the city as at the end of June, 1938 was returned at 772,017 comprising 151,723 households and including 90,633 Japanese and 17,498 Chosenese.

History.—From old, Mukden has been the political center of Manchuria. It was the seat of government under the Yuan, Min and Ching dynasties of China. Originally, it was called Shenchou, but later was renamed Shenyang, Chengking and Fengtien. When Marshal Chang Hsueh-liang ruled Manchuria, the city was again named Shenyang, but after the establishment of Manchoukuo, Fengtien was restored as the name of the city. The name of the city also is quite familiar to the ears of the Japanese nations as the scene of the famous Mukden Battle during the Russo-Japanese War.

Industrial Center.—Due to its favorable location, Mukden seems destined to widen its lead as the greatest industrial center of Manchuria. The Tiehsi section of Mukden, situated west of the South Manchuria Railway line, will be the site for future industrial expansion. As on January 31, 1939 there were already 107 factories in operation in the Tiehsi section, 36 factories under construction and 84 factories still untouched, representing a capital of almost 300 million yuan. The land involved in this large industrial project totals some 4,500,000 tsubo or 14,215,000 square kilometers, approximating 5 square miles.

Communications.—Railways: (1) S.M.R. main line; (2) Antung-Mukden line; (3) Mukden-Shanhaikwan line; 4) Mukden-Kirin line. Omnibuses and taxis are running within the city. Further, regular air services, managed by the Manchuria Aeronautical Company, are available for Tsitsihar, and Shingishu, Korea, etc.

Principal Public Facilities.—3 Japanese and 5 Manchoukuo post-offices, waterworks and sewage systems 2 parks, public playgrounds, Red-Cross hospital, museum.

Principal Products.—Cotton yarns and piecegoods, woollen yarns and piecegoods, wheat flour, tobaccos, furs and leather.

Shrines and Temples.—Mukden shrine, Mukden temple, Renkaiji temple, Higashi Honganji temple, Northern and Eastern Mausoleums, Lama temple.

Tiehling

Location.—Situated at a point 42° 25′ N. Lat. and 123° 55′ E. Long., Tiehling is 71.4 kilometers north of Mukden. An important town along the S.M.R. main line, it adjoins Faku hsien (county) to the west, Shenyang hsien to the south and Kaiyuan hsien to the north.

Climate.—The extremes of climate are surprisingly great, the temperature in summer rising to 38° C. and declining to 30° below zero in winter. Rainfalls are scarce and aridity is quite high.

History.—During the Ming Dynasty of China, the city was called Tiehlingwei, but later its name was changed to Tiehling. After the outbreak of the Russo-Japanese War, the city fell under Japanese occupation on March 16, 1905. Military administration was immediately proclaimed over the city. Following the abolition in 1906 of military rule, the city was taken under the control of the Japanese Consulate-General in Mukden. By virtue of the Sino-Japanese Treaty signed in September, the same year, Tiehling was formally opened to foreign trade. The city began to make phenomenal development particularly after the railways in the vicinity were ceded by the Army to the management of the S.M.R.

Population.—The number of citizens at the end of June, 1938 was officially returned at 48,792 comprising 9,533, households and including 3,339 Japanese and 1,267 Chosenese.

Communications. — Besides being on the S.M.R. main line, the city is connected with the principal towns of the adjoining Faku hsien through a private-owned railway which was installed in 1933 at a cost of 50,000 yuan in conformity with the railway laws of the Manchoukuo Government. A State road from Mukden also runs through this city northward to Kaiyuan. Another highway leads eastward to Tsamulin, a town on the Shenhai line, by way of Tatientzu and Paichichai. At Mafengkou, two miles west of the city, flows the Liao river, from which junks ply between Tungkiangkou and Newchwang.

Principal Products.—Cattle and cotton yarns and piecegoods.

Shrines and Temples.—Tiehling shrine, Inari shrine, Higashi Honganji temple, Nishi Honganji temple, preaching posts of the Shingon, Nichiren, Sodo and other sects of Buddhism, Christian church, two Manchu temples.

Vernacular Papers.—Tiehling Jiho (Japanese language), Tiehling Kung Pao (Manchou language).

Kaiyuan

Location.—Kaiyuan is one of the principal cities along the S.M.R. main line, situated at a point 311.6 miles from Dairen, 65.2 miles from Mukden and 124.2 miles from Hsinking. Latitudinally, its position is similar to that of Sapporo, Hokkaido island.

Climate.—The climate takes on continental features, the temperature rising to 39° C. in summer and declining to 35° below the zero point in winter.

History.—The city is divided into two sections, that is, the S.M.R. Zone and the town within the wall. The latter is nearly three miles north-east of the former. Formerly, the Railway Zone was a small village called Sunchiatai, but after the erection of the S.M.R. main line, it developed rapidly into a flourishing town as it is at present, because of its close proximity to the Tungshan district, better known at the granary of Manchuria, whence large volumes of soya beans and other farm products are shipped to other localities. In fact, it is the local distributing center of Manchurian beans. Before the railway was constructed, these farm products were taken mainly to Tiehling for transport to Newchwang by the Liao river. The walled town has been regarded from old as one of the principal Manchurian cities, its creation reputedly dating as many years back as 3,000. Of late, however, the growing prosperity of the Railway Zone has detracted much from its economic activity.

Population.—The number of citizens within the walled town at the end of June, 1938 was officially returned at 34,380, comprising 6,471 households. Of the total population, there were 2,379 Japanese and 2,098 Chosenese.

Communications.—The Kaifeng light railway starts from the Railway Zone and runs through the walled town to Hsifeng. The Railway Zone also is connected with the walled town by carriages. Regular omnibus services run from the city to Tsaoshih, a town in Chingyuan hsien, and Tungkiangkou, Changtu hsien.

Shrines and Temples.—Kaiyuan shrine, Honganji temple, Kaiyuan temple (Sodo sect of Buddhism), Myohoji temple (Nichiren sect), preaching hall of the Jodo sect, Christian church.

Vernacular Papers.—Kaiyuan Shimpo, Junten Mimpo.

Ssupingchieh (Ssupingkai)

One of the principal cities along the S.M.R. main line, Ssupingchieh is situated in lat. 43° N. anl long. 124° E., a point just 115 kilometers from Hsinking, 189.3 from Mukden and 585.9 from Dairen. The city is divided into the S.M.R. Zone and the new town which is peopled principally by Manchous.

History.—Before Czarist incursion into Manchuria, Ssupingchieh was a lonesome village called Imiencheng. After the erection by Russia of the now defunct Chinese Eastern Railway running through it, this village began suddenly to prosper as a town with Russian military barracks and other important buildings constructed, and its population multiplied many times. After the Russo-Japanese War, the town was placed under Japanese administration. Baked by the fertile Liao area where the larger part of Manchuria beans and other farm products are grown, Ssupingchieh naturally became their distributing center, notably after the outbreak of the European War which brought a phenomenal rise in exports of Manchurian farm produce. The erection in 1923 of the old Ssupingchieh-Taonan railway added further to the geographical importance of the town which is now commonly acknowledged as the biggest distributing center of Manchurian farm products.

Population.—The number of citizens as at the end of June, 1938 was officially returned at 56,240 comprising 11,951 households and including 6,763 Japanese and 967 Chosenese.

Kungchuling (Huaiteh)

Location.—Situated at a point 43° 30′ N. Lat. and 124° 48′ E. Long., Kungchuling is 39 miles from Hsinking and 399 from Dairen. The city is divided into the Manchurian town, commonly called Honan, and the Railway Zone, usually called Hopei.

Climate.—The climate of the city is highly continental, the mercury rising often to 100° F. in summer and declining to 22° below zero in winter.

History.—Chronicles state that the city derived its name from the old Chinese mausoleum called Kungchuling, which is located at a point 8 Chinese li north of the city. Formerly the city was a sparsely populated village, but when the old Chinese Eastern Railway was erected by Czarist Russia, Kungchuling, along with Liaoyang and Wafangtien, was regarded as one of the three principal stations. Further, large Czarist troops were stationed in the city as of great strategic importance. In this manner, Ssupingchieh rapidly took on the dimensions of a modern city under Russian management. The city is also of historic interest, because the cession to Japan of the southern sector (now S.M.R. main line) of the C.E.R. took place here after the signing of the Portsmouth Treaty ending the Russo-Japanese War. Even at present, the city remains as important strategically for Manchoukuo as it was for Czarist Russia.

Population.—The number of citizens as at the end of July, 1938, was officially returned at 33,521 comprising 6,996 households and including 4,905 Japanese and 785 Chosenese.

Communications. — Railways: S.M.R. main line. Omnibus service. To Huaiteh, Fengtien province, and Itung, Kirin province. Roads: (1) Southeast to Itungho and Mopanshan, Kirin province by way of Kaoshantun, (2) South to Hsiaohushan, Kirin province,, by way of Ershihchiaotzu, (3) Northeast to Pachiatzu and farther to Shungchengpu, Kirin province, by way of Heilintzu, Fengtien province, (4) North to Yangchiaotachengtzu via Chaoyangpu, Fengtien province.

Principal Public Facilities.—Parks, cemeteries, city waterworks.

Vernacular Paper.—Kungchuling Sho Ho.

Shrines and Temples.—Kungchuling shrine, Shokonsha shrine, Koyasan Daishiji temple, Higashi Honganji temple, Hokkeji temple, Koshoji temple, Busshinji temple, Ichimyoji temple, preaching post of the Tenri sect of Shintoism.

Penhsihu

Location.—A small town developed in the valley of the Huolienchai river, Penhsihu is 77 kilometers southeast of Mukden and 199 northwest of Antung.

Climate.—The temperature falls to 25° below zero in winter and rises between 28 to 33 in summer. The rainfall is small, its annual volume scarcely exceeding 972 mm.

History.—It was before the advent of the Chinese Chienlung dynasty (1726-1795) that the coalfield here began to be exploited, although on quite a primitive scale. After the termination of the Russo-Japanese War, the S.M.R. Co., started this undertaking along gigantic and modern lines, in consequence of which the town suddenly became famous as one of the principal coalfields in Manchuria.

Population.—The population of the town as at the enl of June, 1938, was 66,384 comprising 10,726 households and including 5,243 Japanese and 346 Chosenese.

Communications.—Lying midway between Antung and Mukden, Penhsihu is an important town along the Antung-Mukden line. On the opposite bank of the Huolienchai river is a small town called Tatzuho whence the Hsichien light railway leads to Niuhiintai, a distance of 14 kilometers, and farther to Wangkungkou, Hunglienkou and Nankou where there are large coal mines.

City Telephones.—The total number of city telephone subscribers is 213.

Principal Public Facilities.—Waterworks and sewage systems, public library, public hall, fish and vegetable markets.

Principal Products.—Coal and iron.

Vernacular Papers.—Ampo Mainichi Shimbun (Japanese language).

Shrine and Temples.—Penhsihu shrine, Daitokuji temple, Higashi Honganji temple, Nishi Honganji temple, Koyasan Komyoji temple, Honkeiji temple, Ishiyamadera temple.

Antung

Location.—Antung is a city just 10 miles up the Yalu river which forms the border between Manchoukuo and Korea. Across the river it faces Shingishu a border town on the Korean side.

Climate.—In winter, the temperature often falls to between 25 and 26° below zero, the average being 1° below the zero point. In summer, it sometimes goes up to 90° F. Rainfall is scarce.

Population.—The number of citizens as at the end of June, 1938, was returned at 210,759 including 17,239 Japanese and 16,583 Chosenese.

History.—Only between 40 and 50 years ago, the city and vicinity formed a dreary and forlorn plain. In consequence, however, of a rapid increase in the transportation of wood and farm produce by the Yalu river, people began to inhabit this area by degrees, automatically forming a town. Following the erection of the Antung-Mukden railway, the town rapidly developed as the distributing center of lumber and farm produce from the various districts along the Yalu river.

Communications.—From this city starts the Antung-Mukden railway connecting it with the S.M.R. main line. The Korean Railway also penetrates into the city across the Yalu river. Regular steamship services run by the Osaka Shosen Kaisha, the Chosen Steamship Company and the Dairen Steamship Co., are available from the city to Japan proper, Korea and China. Highways lead to Fengwangcheng, Chiulien-cheng, Tashushan and Dairen. Regular omnibus service is maintained between Antung and Chengtzutung.

Telephony and Telegraphy.—The city telephonic service is managed by the Manchuria Telegraph and Telephone Company, the total number of subscribers being 1,219. Direct telephonic services are available between the city and Keijo, Jinsen, Hsinking, Dairen and some principal towns in North China.

Public Facilities.—Waterworks and sewage systems, Chenkiangshan park, crematoria, cemeteries, city hall, public libraries, stock-yard, Antung Middle School, Antung Girls' High School, 2 primary schools, kindergartens, a slaughter house.

Principal Products.—Wood, wild cocoons and silk, soya beans, beancake, bean oil, paper.

Vernacular Papers.—(Japanese language): Kokkyo Mainichi Shimbun, Antung Shimpo. (Manchou language): Tungpien Jih Pao, Hsinman Kung Pao.

Shrines and Temples.—Antung shrine, Antung Hachimangu shrine, Higashi Honganji temple, Nishi Honganji temple, So-onji temple (Sodo sect of Buddhism), Antung temple, Koyasan Korenji temple, Hokkeiji temple (Nichiren sect of Buddhism), Chenkiangshan Rinzaiji temple.

Yingkow (Newchwang)

Location.—Situated at a point 122° 14′ Lat. and 40° 40′ E. Long., Yingkow is an important port on the estuary of the Liao river. The area of the city is 71 square kilometers.

Climate.—The climate being highly continental, the temperature falls to 25° below zero in winter and rises to 35° C. in July, the hottest month of the year.

Population.—The total population was officially put at 159,470 at the end of June, 1938, comprising 27,886 households and including 5,612 Japanese and 1,611 Chosenese.

History.—Just a century ago, the city was an uninhabited field covered with marsh-reeds. As trade by the Liao river increased, Yingkow automatically developed into the principal port of the Liao river region because of its geographical importance. The prosperity of the city suffered a setback from the opening of Dairen, but in consequence of the gradual development of modern enterprises in Manchoukuo, the city is steadily recovering its former prosperity. Its trade with China is the largest among all the ports of Manchoukuo.

Communications.—Branches of the S. M. R. main line and the Mukden-Shanhaikwan line run to Yingkow. Steamers and junks regularly ply between the city and all the important towns up the Liao river. Within the city run carriages, automobiles and omnibuses.

Principal Products.—Among the principal products of the city, salt for industrial use ranks first, its annual output being 2,400 piculs or 64% of the total output in Manchoukuo. From reed swamps found almost everywhere in the vicinity of the city more than 3,000,000 reed sacks are produced yearly. In 1936 the Kanegafuchi Spinning Company established their reed plants there which will supply a large volume of pulp materials in the near future. Development of this particular industry is calling keen attention among the staple fibre manufacturers. Another notable industry is magnesite mining near Tashihchiao, about 22 kilometers east of the city. Magnesite deposits of these mines are estimated at about 600,000,000 metric tons, believed to be the richest in the world.

Vernacular Papers.—(Japanese language): Manshu Shimpo. (Manchou language): Yingkow Jih Pao, Yingshang Jih Pao.

Principal Public Facilities.—Waterworks, stock-yard, hospitals, libraries, parks, crematoria, kindergartens, 12 primary schools, 3 middle schools, 1 girls' vocational school, prefectural normal school, prefectural normal school, provincial fishery school.

Shrines and Temples.—Yingkow shrine, Inari shrine, Honganji temple, Zenryuji temple, Shonenji temple, Koyasan temple, Tenri church, Lengyen temple and other Manchuria temples.

Tsitsihar

Situated at a point 47° 22′ N. Lat. and 123° 55′ E. Long., Tsitsihar is one of the most important cities in northwestern Manchoukuo, being close to Angangki on the main railway line between Harbin and Manchouli.

Climate.—The climate is highly continental, the mercury falling in winter to 38° C. below zero, and in summer the mercury has been known to have risen to 40° C.

Population.—The population of the city was returned at 96,806 at the end or June, 1938, comprising 21,242 households and including 8,878 Japanese and 634 Chosenese.

Vernacular Papers.—(Japanese language): Kita-Manshu Nippo. (Manchou language): Heilungkiang Minpao.

Principal Public Facilities.—Higher Normal School, Girls' Higher Normal School, Middle Schools, Commercial School, Engineering School, Agricultural School, etc.

Shrines & Temples.—Tsitsihar Shrine, Higashi Honganji temple, Nishi Honganji temple, Myohoji temple, Gokokuji temple, Nichimanji temple, Koyasan temple, Tenri Church, Konko Church, etc.

Mutankiang

The importance of Mutankiang is attributed largely to its pivotal location in eastern Manchoukuo. It forms the junction of the Harbin-Suifenho and the Tumen-Chiamussu railway lines. It is 354 kilometers east of Harbin and 244 kilometers north of Tumen.

With its rich forestry products as well as other agricultural crops, Mutankiang has gradually developed as the most important point of connection with north Chosen ports.

Population.—The total population of the city as at the end of June 1938 was 100,351 comprising 23,991 households and including 13,949 Japanese and 16,745 Chosenese.

Chiamussu

Chiamussu, situated between Harbin and the Soviet eastern border, possesses a total area of 70 square kilometers and is one of the best river ports in North Manchuria along the Sungari River.

Population.—The total population as at the end of June, 1938 was 70,746 comprising 12,452 households and including 3,713 Japanese and 1,420 Chosenese.

CHAPTER XXVI

LABOR

INTRODUCTORY

Labor in Manchuria has been characterized by the heavy dependence upon the seasonal inflow and outflow of Chinese coolies principally from the provinces of North China. The climatic conditions of Manchuria, especially in the northern regions, are too severe to permit outdoor work and as a result a large number of the coolies who enter Manchuria in early spring leave the country again for North China in late autumn. However, with the increasing demand of coolies in factory work and in the mines this seasonal fluctuation is diminishing and a larger number of the coolies are becoming employed permanently in Manchuria.

The growth in the population of Manchuria by roughly six millions between 1932 and 1937, a trend which still continues at a rate of increase of about one million annually, has released an added source of labor power for the rapidly expanding industries of the country.

Taking as a whole, therefore, Manchuria has been favored with a comparatively abundant supply of cheap labor. This is especially emphatic in the lower brackets of work. The wage scale of Manchurian and Chinese factory workers in Manchoukuo is still about one-third that of the Japanese. The average daily wage paid to a Manchurian worker in the chemical industry, for instance, was ¥0.65 as compared with ¥1.75 for the Japanese in 1937.

Table 1. Chinese Laborers Entering Manchuria, Classified by Callings

	Agriculture	Mining	Commerce	Civil Engrg.	Architecture	Mfg. Ind.	Transports	Total incl. others
1936	52,218	9,580	23,888	42,203	39,646	130,207	22,201	364,149
1937	50,103	13,802	31,898	48,164	32,023	89,415	16,144	323,689
1938	28,073	34,543	60,652	103,389	22,588	121,829	40,334	501,686

Sources of Chinese Labor.—Chinese labor was supplied mainly from the provinces of Shantung, Chihli and Kiangsu. The inhabitants of these provinces were readily disposed to migrate for a three-fold reason, first, population density, second, frequent civil wars, and third the devastating waters of the Yellow river. The population density of Shantung in 1910 was 528 per square Chinese mile, comparing with 41 in Manchuria, and the density figure in Shantung rose in 1923 to 552 against 61 in Manchuria. When Japanese industry in the railway zone stood in need of labor, the indigenous labor, wholly taken up with agricultural work, could offer but limited numbers of men. The overflowing population of Shantung and Chihli, now called Hopei, presented itself as a source of labor supply most accessible. An exodus of labor was the result. The Chinese authorities, encouraging this labor movement, discounted railway fares and extended the age limit for free transportation, the practice continuing until the Chinese regime in Manchuria was overthrown in 1931.

Table 2. Origin of Chinese Laborers Entering Manchuria

	Hopei	Shantung	Shansi	Honan	Kiangsu	Chekiang	Anhwei	Hupei	Chahar	Total incl. others
1936	133,016	223,870	2,409	3,419	1,121	319	487	222	245	364,149
1937	133,192	181,165	2,135	4,445	1,358	381	326	347	297	323,689
1938	249,024	236,547	3,729	9,757	786	192	69	49	1,454	501,686

Routes of Entry. — Immigrants from Hopei and Shantung provinces enter Manchuria by 5 different routes, viz., (1) to Dairen by way of Tsingtao and Chefoo, (2) to Yinkow by way of Tsingtao and Chefoo, (3) to Antung by way of Tsingtao and Chefoo, (4) to Mukden and Huangkutun by the Mukden-Shanhaikwan Railway, (5) by travelling on foot along the same railway. The inhabitants in the northeastern part of Shantung and, especially, those of the Kiao-Tsi (Tsingtao-Tsinan) railway zone travel by train as far as Tsingtao, while those in other parts sail in junks to Lungkow and Chefoo, thence to follow the usual routes. Those living still to the south make their way afoot to Manchuria or travel by the Tientsin-Pukow line as far as Shihchiushu, and thence to Tsingtao and Dairen. The migrants from the northwestern part travel by train as far as Tientsin and thence to Dairen by sea or to Mukden by train. Inmigrants from Hopei in most part proceed by the Mukden-Shanhaikwan railway and in some part take boat at Tientsin either to Dairen or to Yingkow. Those from Honan province first proceed to Chengchow and next to Fengtai by rail to transfer to the Mukden-Shanhaikwan Railway. From that city they are transported further into the interior by the railway to Hsinking or the lines deviating to Liaoyuan, Tungli, Talai, Taoan, etc. Thus, Tsingtao, Chefoo, Lungkow, Tientsin are the main ports of departure, and Dairen, Yingkow and Antung the ports of arrival or entry.

Numbers of Immigrant Labor.—No authentic figures are available regarding the number of laborers that migrated from China to Manchuria. It is roughly estimated that the numbers were 350,000 in the year 1921 and 500,000 around the years 1925-26. It is also known that in the period from the autumn of 1927 to the spring of the following year, the volume of migrating labor, what with civil wars, bandit activities and natural disasters, recorded figures considerably above the average.

Whatever statistics available on the subject are based on the reports of shipping companies, although often misleading enough. Children and those who go abroad without tickets to pay for their fares in cash are more often than not left out of account. The following table, constructed on such a basis and for selected years, is at least indicative of labor movement through the above mentioned channels:—

Table 3. Destinations of Chinese Laborers Entering Manchuria

	Kwantung	Fengtien	Kirin	Pinkiang	Lungkiang	Antung	Sankiang
1936	98,956	102,351	42,088	48,813	10,975	22,187	10,161
1937	76,530	88,219	32,680	54,316	12,536	14,508	5,490
1938	115,862	153,671	39,892	67,057	15,533	23,228	9,530

	Heiho	Chinchow	Jehol	Four Hsingan Provs.	Chientao	Tunghua	Mutankiang	Total
1936	3,236	13,887	6,082	4,623	1,691	——	——	364,149
1937	2,564	18,383	5,710	3,985	8,136	334	298	323,689
1938	3,732	30,286	9,573	5,399	6,001	6,872	15,050	501,686

These labor immigrants may be divided into (1) recruited laborers, (2) those in search of permanent settlement, and (3) those who come to live and work with their relatives already in the country. The first mentioned are those commonly called coolies. Of the above numbers the female immigrants represented 5 to 15 per cent., although there has of late been noted a tendency to increase in the female number, indicating general trends from seasonal movements to permanent settlement in the coolies.

Seasonal Immigration.—The coolies represent a predominant proportion of the immigrants. Because they mostly hail from agricultural areas and come for work to complement their earnings on the farm, their movement is perforce seasonal. They are better off or fully employed in their agricultural work around June when wheat is harvested and in October when potatoes are taken in. Therefore, their seasonal migration is brisk in spring and late autumn, especially in February, March, and April.

Of the labor immigrants at least 70 to 80 per cent. were those who went to work for certain periods of time and went back to their native places with their savings, while 20 to 30 per cent. remained and settled down in Manchuria. It is also a fact in the labor situation that while those from Shantung seldom fail to return to their native province, when their savings are sufficient for their purpose, those from other parts of China, especially those from places where fighting is frequent, or the natural conditions of life and work are less favorable, are often disposed for longer if not permanent residence in the new country. According to the census taken for the end of the year 1929, the number of Chinese laborers at the Fushun coal mine reached 10,826, of whom only 21 kept their families on the spot, while the rest living in the men's quarters intended to return to their homes in China sooner or later. The statistical data compiled relating to the laborers working on the water front of Dairen showed that those who had been working there for three years represented 45 per cent. of the total number, but of this number there was hardly any but had been back to their native places once, twice or even more, in the meantime. The census taken in 1929 at the Fushun coal mine, virtually the center of labor movement in Manchuria, showed that the number of men who had worked there for more than 3 years represented only 28.5 per cent. of their total for the miners and 24.7 per cent, for the all-round workers. There was practically none who had worked for more than 15 consecutive years.

The savings taken back home by the coolies were on an average 25 to 30 of Tayang silver for one year's labor. Those who stayed for three years generally went back with savings of something like 100 Tayang silver.

The Coolies

Labor Market.—Free day-laborers flock in search of work where prospective employers come to offer work. The workmen employed at these places are porters, civil engineering laborers, funeral attendants, all-round workers, helps for carpenters, rickshaw men, road clearners, etc. The daily earnings of these men average about 40 to 50 of Tayang silver money, although variations are made to some extent according to seasonal factors, condition of available force, individual efficientcy of physical capacity.

Division of Coolies Labor.—Unskilled laborers, or coolies as they are commonly called, may be divided into (1) all-round workmen, helps in civil engineering, (2) coal miners, (3) other mine workers, (4) porters. The first named class of coolies is mostly employed in and about government places, business and industrial establishments, and factories. Of this class some are in steady employment and some hired by the day. The coolies employed in civil engineering works help in all kinds of labor from shovelling of dirt to the plastering of walls. Since no work is possible during the ice-bound season, these laborers for the most part go home or turn to other lines until the warmer season sets in. The coal mining coolies are found in most part at the Fushun mine, where more than 30,000 are employed at all times. The number employed at the Penhsihu colliery is some 6,000. The coolies working at other mines are found at Anshan Miaorhkou, etc. The coolie porters in work number approximately 19,000, of whom about 70 per cent. are employed on the wharves of Dairen. In this particular line a laborer has to be in work for three years before he is regarded as a fully competent man.

Labor Organizations.—Except skilled laborers and those who offer themselves for work under free arrangements, the coolies under the five categories above mentioned are generally under the direction of coolie masters. Each coolie master holds under him two or three Second Masters, who in turn command several of Third Masters under them. This sort of arrangement is a rule wherever 200 or more coolies are working together. Each of the Third Masters commands a squad of 14 to 15 coolies, at once directing and sharing their work. The Second Masters each direct two or three Third Masters and through them their labor squads. The Second Master directs and supervises all work on the ground. The chief coolie Master, unlike the Second or the Third Master, seldom keeps himself on the first line of work He rather gives his attention to the general direction of work and whatever must be taken up with the employer. The scale of wages descends in the order of Second Masters, Third Masters and common coolies. It is also the duty of the chief Master to interest himself in private affairs of all men in his employment, administering aids and offering counsel. Besides, he has to be master of his trade, not unlike a superintendent at a manufacturing mill. The chief Master is assisted by "Hsien Sheng" or secretary who keeps accounts and cash. With allowances from the chief Master, he attends to the financial side of feeding the men. The chief Master also keeps direct under him a cook who provides food, takes in provisions and keeps watch at the lodging place, while the men are out for work. Lowest in the scale is a boy who attends to all-round work in and about the lodgings and also helps the cook. The cost of board is shared by all the coolies, who when their number is large enough to warrant such luxury, employ their own barber on their collective account.

Demand and Supply

Labor in Manchuria, as already mentioned, is often subject to seasonal variation. This is especially true with railway and civil engineering laborers and stevedores. For instance, railway laborers are in great demand during the season of bean transportation but half as many or often less are required in the summer season. This situation may be brought out better by an examination of the numbers of coolies employed at the Dairen wharves and Hsinking Station by months, these places being two important points in transportation of beans.

While the numbers at the Dairen piers fluctuate less widely, those for Hsinking Station vary from a maximum of 1,858 for December, when the bean loaded wagons begin to pour in, to a minimum of 383 for August, when the movement of beans is at its lowest ebb. In civil engineering, although no statistical data are available, demand for labor is from spring to autumn, there being no work in winter.

While no statistics are available with regard to the demand and supply situation of labor in all industries, an investigation into public works and in building construction showed a slight shortage of hands in 1937. Of 288,105 laborers required for the foregoing enterprises a total of 192,963 laborers were available.

Table 4. Shortage of Laborers in Public Works and Building Construction in Manchoukuo and Kwantung

(1937)

Localities:	No. of Laborers Required	Number employed	Shortage
Dairen	15,000	15,000	——
Mukden	27,000	25,000	2,000
Hsinking	34,500	34,000	500
Anshan	5,000	4,000	1,000
Fushun	8,600	8,000	600
Harbin	10,800	10,000	800
Antung	2,500	2,000	500
Mutankiang	21,200	19,000	2,200
Tsitsihar	3,900	2,500	1,400
Chinchow	3,000	3,000	——
Kirin	7,760	7,000	760
Construction works.	58,809	42,187	16,622
Other works	30,036	21,276	8,760
Total	228,105	192,963	35,142

Living Condition of Labor

Wherever large numbers of coolies are employed collective lodges are provided. Although originating from the idea of preventing desertion and providing facilities for training of apprentices, this arrangement serves not ill for the men living without their families. Factory dormitories of more recent construction are well designed to afford comforts of life, typical ones being at the Foo Cotton Spinning mill at Choushuitzu. The living quarters are provided with bedrooms, nurseries, bath-room, laundry, dining hall, and lavatories for the factory girls. The lodging places provided by Manchus themselves are generally more crude affairs. At such places, while under-floor heating systems are invariaby provided, a mat-rush laid on the floor furnishes about all the material comfort in sight. A dormitory, regardless of its equipment, is generally accompanied by a booth where daily necessaries are sold. These shops are run either on a subsidized or a purely business basis, and sometimes managed on a collective account by the employees themselves. The living quarters provided by coolie masters, except where financial aids are granted by their employers, are generally primitive affairs. The walls are built with mud dried in the form of brick, and the roofing provided over the walls by a mixture of mud and weed dried in the sun. The coolies engaged in civil engineering, living as a rule close to the scene of work, make their temporary abode by digging holes in the ground to a depth of some 3 or 4 feet. Dried grass is thickly strewn on the botton, where a mat-rush is land. The dug-out is roofed by putting up rush-mats in a round or pyramidal form. The bedding is invariably provided by each one of the inmates. Their bedding generally consists of a single cotton-wadded coverlet, which is the most valuable of their household or personal effects. When a coolie is to travel he rolls the cooking utensils and footgear in the bedding and slings the whole thing across his shoulder, holding it fast by a piece of string. As a matter of fact, without this much of personal property he would be denied admittance to any inn as he goes travelling on the road.

Standard of Living

Statistical data available on the subject are hardly adequate of comprehensive enough. The administrative authorities of Pulantien, in Kwantung Leased Territory, conducted in 1930 investigations over a period of a year with regard to agricultural economies under their jurisdiction. The data collected from 5 agricultural families of Manchou origin showed that the cost of living for one year was an average Yuan 181.80 of Hsiao Yang silver. The statistics compiled in 1932 regarding the living costs of porters and other railway laborers about Mukden Station showed the average daily cost of living was M¥0.213. These laborers lived in the quarters provided by their masters, collectively bearing the expenses of rent and board. The living cost of the stevedores at the Dairen piers in 1933 averaged at M¥0.624 of Hsian Yang money. The statistics compiled by the South Manchuria Railway with regard to 140 families of laborers employed at a machinery plant in Dairen indicated for 19 families reporting the lowest figures the average as shown below, the value figures being in the gold yen and on an annual basis, and the percentages as of the total expenditure:—

Table 5. Average Annual Expenditures Per Family

Items	G¥	%
Foods	24.09	52.10
House rent	7.94	17.17
Cloths	4.48	9.69
Others	9.73	21.04
Total	46.24	100.00

Another source of information is the Fushun coal mine. The management gave out in 1935 statistical data on the living condition of the laborers employed at the mine. On the basis of these figures the cost of living of these men on an yearly basis was as shown in the undergiven tables, where the maximum and the minimum groups are shown:—

Table 6. Annual Cost of Living of Mining Laborers at Fushun

(M¥)

Group I

Items	Single	With families
Primary foods	55.77	103.53
Subsidiary foods	30.21	61.64
"Luxuries"	20.97	16.79
Lodgings	5.72	38.38
Clothing	24.80	30.44
Total	137.47	150.78
Daily average	0.38	0.69
Wages	66.00	68.00
Family members (inclusive of workers).	——	4.2

Group II

Items	Single	With families
Primary foods	45.66	88.37
Subsidiary foods	23.93	37.21
"Luxuries"	19.69	15.81
Lodgings	6.09	28.81
Clothing	18.14	24.06
Total	113.51	194.26
Daily average	0.31	0.53
Wages	58.00	58.00
Family members (inclusive of workers).	——	4.0

Indices of Cost of Living

According to statistics compiled by the Central Bank of Manchou the indices of cost of living in Hsinking show a marked advance in recent years. As compared with the average for 1936 the cost of living as of June, 1939 was up by approximately 60%, this rise being largely accounted for by the effects of the Sino-Japanese hostilities.

Table 7. Indices of Cost of Living

(Average of 1936—100)

(A) Hsinking

	Food & drink	Clothing	Dwelling	Fuel & light	Miscellaneous	Average
1936 (Average)	100.00	100.00	100.00	100.00	100.00	100.00
1937 (")	110.97	106.59	102.45	100.96	105.35	106.76
1938 (")	124.19	142.29	107.66	110.62	127.36	124.54
" (June)	122.56	159.29	105.03	109.18	128.25	126.48
" (Dec.)	133.17	161.95	112.58	124.38	129.72	133.22
1939 (June)	156.22	203.96	138.98	129.51	144.82	156.31

(B) Mukden

	Food & drink	Clothing	Dwelling	Fuel & light	Miscellaneous	Average
1937 (Average)	110.89	107.92	101.13	99.89	106.43	107.30
1938 (")	131.21	148.52	104.40	117.88	126.40	128.98
" (June)	129.83	157.61	103.21	116.92	127.07	130.08
" (Dec.)	136.66	167.72	107.59	143.48	129.86	137.43
1939 (June)	171.70	199.11	134.76	154.63	147.64	164.65

(C) Harbin

	Food & drink	Clothing	Dwelling	Fuel & light	Miscellaneous	Average
1937 (Average)	112.39	105.90	102.23	96.14	106.26	106.49
1938 (")	126.87	140.86	101.88	96.89	139.94	125.59
" (June)	125.02	161.03	101.93	96.18	140.45	127.92
" (Dec.)	134.10	155.89	102.82	100.09	142.28	131.38
1939 (June)	164.48	196.37	126.99	104.97	156.85	155.71

Wages

A pertinent feature of the wage situation in Manchoukuo is the wide margin that exists between wages paid to Manchoukuo and Japanese workers in the various industries. The average wage of the Manchoukuoan employee is still about one-third that paid to the Japanese. As in December, 1938 in Hsinking the average daily wage of the Manchoukuoan worker was ¥1.81 as compared with ¥3.45 for the Japanese.

It is of interest to note that the Tatung Kung Ssu, the labor agency, has given out data relating to the earnings carried back by Chinese coolies in ten months of the first year after the new institution placed labor under its control. According to the same agency, in the period January to October, 1936, both months inclusive, the total number of homebound Chinese coolies who passed through Shanhaikwan reached 122,121 and the amount of earnings taken with them M¥2,730,222 or an average of M¥22.36 per head.

Table 8. Average Daily Wages

(Unit: M¥)

	Dairen		Mukden		Hsinking		Harbin		Tsitsihar	
	M.	J.	M.	J.	M.	J.	M.	J.	M.	J.
Carpenter:										
1935 Ave. ..	1.38	3.20	1.37	3.38	1.58	3.61	1.61	3.25	...	...
1936 " ..	1.40	3.20	1.50	3.50	1.57	3.53	1.71	3.38	...	...
1937 June ..	1.40	3.20	1.50	3.50	1.85	3.90	1.60	3.60	1.40	3.40
" Dec. ..	1.60	3.20	1.50	3.50	1.90	4.00	1.80	3.50	1.30	3.00
1938 June ..	1.50	3.20	1.60	3.50	1.60	4.00	1.50	4.00	1.50	3.20
" Dec. ..	1.50	3.20	2.10	3.50	1.70	4.30	1.60	4.20	2.00	4.00
Plasterer:										
1935 Ave. ..	1.66	3.50	1.47	3.42	1.81	3.95	1.63	3.33	...	...
1936 " ..	1.52	3.50	1.77	3.54	1.77	3.91	1.71	3.42	...	...
1937 June ..	1.50	3.50	1.60	4.00	2.10	4.50	1.60	3.60	1.40	3.20
" Dec. ..	1.40	3.50	1.50	4.00	2.00	4.20	1.80	3.50	1.40	3.20
1938 June ..	1.60	3.50	1.90	4.50	1.75	3.70	1.70	4.00	1.60	3.40
" Dec. ..	1.50	3.50	2.10	4.50	1.75	4.00	1.70	4.20	2.00	4.20
Blacksmith:										
1935 Ave. ..	1.18	2.94	1.38	3.43	1.78	3.98	2.07	7.00	...	...
1936 " ..	0.94	2.69	1.50	3.50	1.78	3.72	1.69	3.76	...	...
1937 June ..	1.00	2.70	1.50	3.50	2.10	4.50	1.60	3.20	1.20	3.20
" Dec. ..	1.00	2.70	1.50	3.50	2.50	4.40	1.70	3.40	1.40	3.20
1938 June ..	1.60	3.50	1.60	4.00	1.90	5.00	1.70	4.00	1.20	3.20
" Dec. ..	1.70	2.70	1.80	4.00	2.00	5.00	2.00	4.20	1.80	4.00
Stone-mason:										
1935 Ave. ..	1.29	3.50	1.52	3.50	1.55	3.95	1.63	4.20	...	...
1936 " ..	1.21	3.50	1.73	3.50	1.68	3.67	1.60	4.50	...	...
1937 June ..	1.20	3.50	1.60	3.50	1.60	4.00	1.60	...	1.20	3.20
" Dec. ..	1.20	3.50	1.60	3.50	1.80	3.80	1.60	...	1.40	3.20
1938 June ..	1.50	4.00	1.60	3.50	1.60	4.30	1.50	4.00	1.20	3.00
" Dec. ..	1.20	3.50	1.60	4.00	1.70	4.00	2.00	4.20	1.80	3.80
Free Laborers:										
1935 Ave. ..	0.84	1.50	0.60	2.50	0.70	2.50	0.80	1.94	...	...
1936 " ..	0.80	2.00	0.63	2.67	0.69	2.20	0.99	1.95	...	...
1937 June ..	0.80	2.00	0.70	2.50	0.70	2.50	1.00	1.80	0.50	1.10
" Dec. ..	0.85	2.00	0.70	2.50	0.80	2.40	1.00	1.80	1.10	2.00
1938 June ..	0.60	2.00	0.85	3.00	0.85	2.60	0.75	2.50	0.80	1.50
" Dec. ..	0.60	2.00	1.10	3.50	1.00	2.70	0.80	2.80	1.00	2.60
Shoe-maker:										
1935 Ave. ..	1.38	2.58	1.50	2.28	1.60	2.50	60.00*	120.00*	...	...
1936 " ..	1.45	2.50	1.50	2.30	1.60	2.50	60.00*	120.00*	...	...
1937 June ..	1.50	2.50	1.50	2.30	1.60	2.50	60.00*	120.00*	1.00	2.40
" Dec. ..	1.50	2.50	1.50	2.50	1.60	2.50	60.00*	120.00*	1.20	2.20
1938 June ..	1.50	2.50	1.50	2.50	1.70	2.50	60.00*	120.00*	1.40	2.20
" Dec. ..	1.50	2.00	1.50	2.50	1.70	2.50	55.00*	120.00*	2.00	3.60
Tailor:										
1935 Ave. ..	1.84	2.49	1.96	2.04	50.00*	75.00*	65.00*	120.00*	...	...
1936 " ..	1.70	2.28	2.00	2.00	52.50*	59.17*	65.00*	120.00*	...	...
1937 June ..	1.40	2.20	2.00	2.00	55.00*	60.00*	65.00*	120.00*	1.20	2.20
" Dec. ..	1.50	2.20	2.00	2.00	70.00*	75.50*	65.00*	120.00*	1.20	2.30
1938 June ..	1.50	2.30	2.00	2.00	60.00*	65.00*	65.00*	120.00*	1.40	3.00
" Dec. ..	1.50	2.50	2.00	2.00	100.00*	...	65.00*	120.00*	2.00	3.80
Printer:										
1935 Ave. ..	1.45	2.84	0.88	1.50	1.15	3.31	60.00*	120.00*	...	...
1936 " ..	1.52	2.79	0.90	1.50	1.25	2.88	60.00*	120.00*	...	...
1937 June ..	1.40	2.80	0.90	1.50	1.22	3.22	60.00*	120.00*	1.20	2.20
" Dec. ..	1.40	2.80	0.90	1.50	1.37	3.64	60.00*	120.00*	1.20	2.20
1938 June ..	1.40	2.70	0.90	1.50	1.36	3.49	60.00*	120.00*	1.40	2.40
" Dec. ..	1.50	3.00	0.90	1.50	1.31	2.93	60.00*	120.00*	1.60	3.40

Note: M—Indicates Manchoukuo. J—Indicates Japanese.
*—Monthly wages.

Table 9. Outgoing Coolies

1936	No. of coolies	Money Carried by Coolies (M¥)
January	18,448	173,064.46
February	17,333	395,537.06
March	17,507	429,971.92
April	12,627	370,097.97
May	11,098	341,707.42
June	9,325	295,416.00
July	10,143	282,202.26
August	6,963	84,707.28
September	6,947	75,513.87
October	11,427	281,103.40
Total	122,121	2,730,221.64

Labor Hours.—Statistics on the subject are as often as not misleading, since averages are worked out on an inaccurate basis in not a few instances. Extension of working hours under good business conditions is as likely as arbitrary abridgment of hours when business is less profitable. However, the table below may be useful as a guide.

Table 10. Labor Hours and Days

	Average labor hours per day				Average labor days per year	
	Japanese enterprises		Manchoukuoan enterprises			
	Hours	Minutes	Hours	Minutes	Japanese enterprises	Manchoukuoan enterprises
Cotton mills	9	36	10	30	281	274
Ceramics	8	54	10	6	229	169
Chemical	8	54	11	30	291	192
Machinery	10	30	10	24	313	314
Foodstuff	10	36	9	30	274	248
Average for others	9	54	10	30	289	254

Note: Based on investigations of 1933.

Labor Disputes

Organized labor disputes, as such as are known in the West, still remain non-existent in Manchoukuo. In 1936 there were only 13 cases which could be numbered as labor disputes, in which 1,129 persons were involved. Most of the disputes have occurred in the manufacturing and transportation industries. Contentions for higher wages are principal cause for the disputes which have taken place in recent years.

Table 11. Labor Disputes

	Number of Labor Disputes, Participants, etc.					Labor Disputes by Industries					
	Number of cases	No. of Participants	No. of Participants per case	No. of days	No. of days per case	Mfg. Industry	Mining	Transportation	Civil engineering	Others	Total
1930	35	2,785	80	114	3.3	16	10	5	4	—	35
1931	20	3,031	152	92	4.6	10	2	3	3	3	20
1932	8	1,134	142	23	2.9	5	—	1	—	2	8
1933	29	6,345	219	81	2.8	23	1	1	—	4	29
1934	11	863	78	52	4.7	9	—	1	—	1	11
1935	13	1,076	83	32	2.5	10	—	3	—	—	13
1936	13	1,129	87	46	3.5	7	—	4	—	2	13

Table 12. Labor Disputes By Causes

	For Higher wages	Against wage decrease	Demands for wage payment	Complaint against treatment	Complaint against system	For Shorter working hours	Collision of feeling	Total incl. others
1930	11	4	4	2	5	—	5	35
1931	6	2	3	2	2	—	4	20
1932	4	—	1	2	1	—	—	8
1933	12	2	4	3	—	2	3	29
1934	4	3	—	1	1	—	2	11
1935	5	—	2	—	4	—	2	13
1936	3	—	3	—	6	—	1	13

State Control of Labor

The Commission on Labor Control was instituted in January, 1934. The main subjects for its consideration were labor control by nationalities, control of labor conditions, control of labor protection, adjustment of demand and supply of labor. Of these questions the first named was regarded as most important under the existing conditions of the country and its industry. The object of controlling labor by nationalities is to assure the supply of labor in future from Japanese, Korean and Manchu elements, excluding Chinese labor. The official policy, however, is to be moderated so far as necessary to carry out the industrial expansion program upon which the country has embarked. As an initial setup the Manchoukuo Government issued in March, 1935, the regulations for control of foreign labor. Since the foreign laborers in Manchoukuo are entirely Chinese, the same official rules apply in practice to Chinese labor exclusively, ranging over the fields of agriculture, forestry, fisheries, mining, trade, civil engineering, construction, manufacture and transportation. An important feature of the regulations is that foreign laborers are to be admitted only by certificates issued by those officially appointed to handle incoming or outgoing labor. Under the same system the Tatung Kung Ssu, organized under the Japanese law, has been appointed to handle labor for Manchoukuo and the Kwantung Leased Territory. The new labor institution has established branches at Tientsin, Tsingtao, Weihaiwei, Chefoo, Tangku, Lungkou, Shanhaikwan, Chifengkou, Lengkou, Kupeikou, Dairen, Yinkow, Antung. At these ports of departure and places of entry the movement of labor is controlled with the cooperation of local Manchu and Chinese authorities. Another feature of importance is that the entry of disorderly elements and unemployed force is prohibited. Admission and selection of labor is to be made each year on the estimation of industrial requirements and the prospective supply from internal sources. That such estimation is well-nigh impossible at least in agriculture is beyond question. While it is still uncertain how far official policy will be directed in dealing with labor issues and developments, it seems at least clear that much that will be done will perforce be tentative or experimental at the best, until the situation has been taken well in hand.

References:

Table Nos.: 1-3 a, 4 b, 5-6 a, 7-8 c, 9-12 a.
Key: a—S.M.R. Co.
b—Dairen Chamber of Com. & Ind.
c—Central Bank of Manchou.

CHAPTER XXVII

THE SOUTH MANCHURIA RAILWAY COMPANY

Introductory Remarks

The South Manchuria Railway Company has been the bulwark of Japanese political and economic interests in Manchuria for the past three decades. The importance of this semi-governmental Japanese concern has been considerably augumented since the founding of Manchoukuo, and in many branches of state undertakings of the newly established nation the S.M.R. is vested with supervisory control. Mention may be made of the state railways, mining, public utilities, harbour works, the communication system, all of which are linked directly, or indirectly through subsidiaries, with the South Manchuria Railway Company.

The South Manchuria Railway Company appraised its property conservatively in 1937 at two billion yen. With regard to capital, great corporations comparable to this are found in the world, but in the extent of its activities, in the magnitude of its mission, and its meritorious achievements during the past thirty years, the Company enjoys a singular position. With 170,000 employees in 1939 it directly or indirectly swings a heavy pendulum in Far Eastern affair.

Early History

An epoch-making incident occurred in the earlier days of Manchuria's railway history when, in 1896, the Li-Lobanoff secret agreement was concluded between China and Russia. The latter, by the undisclosed pact, secured the major portion of the rights covering the building and management of the Chinese Eastern Railway (present North Manchuria Railway). It was evident then that Russia had been planning that railway as the main artery for carrying out her Far Eastern policy. The program progressed with remarkable steadiness, until at last it became an open secret that Russia was about to extend her grip to Manchuria and Chosen.

Such a situation became an increasingly serious menace to the maintenance of Japan's independence, threatening the peace of the Far East. Dark clouds gradually thickened until Japan rose in arms against Russia because of her national existence being at stake.

Japan won the war at a high price, and as the result of the Portsmouth Treaty signed in 1905, Russia agreed to cede to Japan the southern branch of the Chinese Eastern Railway, which is the present South Manchuria line. Doubtlessly the defeat of Russia in the war and her subsequent concession of the railway checked the growth of her influence in South Manchuria. Russia thus left the stage and Japan entered upon the policy of establishing peace in the Far East.

It was the late Count Shimpei Goto who laboured during the first stage of this continental plan, using the South Manchuria Railway as a lever. The Count had courage and foresight enough to make the railway a gigantic enterprise.

Later, Japan's Manchurian and Mongolian policy came to have a firmer foundation as the results of diplomatic negotiations with Russia and Britain. The work initiated by Count Goto was then taken over by his able right-hand-man and successor Korekimi Nakamura. The business of the railway further showed signs of greater development in 1915 when the Sino-Japanese Treaty was concluded, but not long after Japan's Manchurian policy tended to be negative at times due to the change in the political situation at home and abroad. It was at this juncture that the late Marshal Chang Tso-lin, representing the military clique of the Three Northeastern Provinces, vigorously began to widen his sphere of influence, meanwhile scheming to drive Japan out of Manchuria gradually.

The challenge of the Mukden warlord became more pronounced when he planned the construction of railway parallel to the South Manchuria line in contravention to the stipulations of the Sino-Japanese pact. The business of the S.M.R., which was once prosperous, steadily waned, and Japan's vested rights in Manchuria were trampled upon by the Chinese on many occasions.

With the founding of the new state of Manchoukuo the Japanese interests were securely assured, and the mission of the South Manchuria Railway from the economic and cultural angle has become more important than ever. The activities of the S.M.R. are now quite free and the management, since being entrusted with the supervision of the Manchoukuo state railways in March 1933 has been showing excellent business results.

Establishment of the Company

The South Manchuria Railway Company was formed under Imperial Ordinance No. 142 of June 7, 1906, and a Government order dated August 1, 1906. The articles of association were passed at the general meeting of shareholders on November 22, 1906, in which were prescribed the status of the corporation, its business functions, etc. The Imperial Ordinance relating to the establishment of the concern provided:

(1) That a joint-stock corporation named the Minami Manshu Tetsudo Kabushiki Kaisha (South Manchuria Railway Joint-stock Company) shall be organized for the purpose of engaging in railway transportation business in Manchuria; (2) That the share of the Company shall be registered and owned only by the Japanese and Chinese Governments or by their nationals; (3) That the Japanese Government may offer as part of the capital its railways in Manchuria, coal mines and appurtenances obtained in 1905 from Russia by the Treaty of Portsmouth and approved by China in virtue of the Peking Treaty concluded the same year; (4) That the President and Vice-President shall be appointed by the Government, and that the directors shall be elected from among shareholders at the general meetings of shareholders; (5) That to matters relating to the Company not provided for by this ordinance the provisions of commercial law shall be applied.

Thus the South Manchuria Railway Company came into existence under special charter of the Government, but essentially as a joint-stock company organized in conformity with the provision of the Commercial Law of Japan.

Organization

Especial attention was paid to the selection of the personnel of the governing board of the Company. President Baron Goto, who had exhibited an unusual organizing and executive ability in the civil administration and industrial development of Formosa, selected the directors of the board from among men having ability and experience in banking, trading, railway operation, in legal profession, and in civil administration. The efforts of Baron Goto during his tenure of office, though it was of a short duration not extending more than two years, placed the Company on a sound basis. The term of office of the President and Vice-President was fixed at five years, and that of directors at four years.

The present head of the company is Mr. Takuichi Omura who was appointed in 1939, upon the resignation of Mr. Yosuke Matsuoka. Mr. Matsuoka's policy had been characterized by aggressiveness and a deep foresight into the future. Many of the projects he had launched upon during his presidency of four years, such as the liquefaction of coal at Fushun, have been completed, conferring much to the industrialization of Manchoukuo. The names of the successive Presidents of the Company are listed below:

1st	Baron (later Count) Shimpei Goto
2nd	Korekimi Nakamura
3rd	Ryutaro Nomura, Dr. Eng.
4th	Baron Yujiro Nakamura
5th	Shimbei Kunisawa Dr. Eng.
6th	Ryutaro Nomura, Dr. Eng.
7th	Senkichiro Hayakawa
8th	Takeji Kawamura
9th	Ban-ichiro Yasuhiro
10th	Jotaro Yamamoto
11th	Mitsugu Sengoku, Dr. Eng.
12th	Count Yasuya Uchida
13th	Count Hirotaro Hayashi
14th	Yosuke Matsuoka
15th	Takuichi Omura

Table 1. S.M.R. Lines

(1939)

Lines	Distance	Working Mileage (Kms.)	Gauge (Feet)	No. of Stations
Dairen Line	Dairen Bund–Hsinking	704.3	4.85	74
Anfeng Line	Antung–Suchiatun	260.2	4.85	27
Port Arthur Line	Choushuitzu–Port Arthur	50.8	4.85	5
Fushun Line	Suchiatun–Fushun	52.9	4.85	6
Yingkow Line	Tashihchiao–Yingkow	22.4	4.85	1
Yentai Colliery branch line	Yentai–coal mines	15.6	4.85	—
Other branch lines		22.9	4.85	2
Total		1,129.1	—	115

Note: There were sixteen sheds for engines and three for passenger cars at the same date. The company also owned and managed 189 godowns (covering an area of roughly 539,447 square meters) at the Dairen Pier and thirty stations.

General Balance Sheet as on March 31, 1939

Assets		Amount Details	 Total
Subscribed Capital Stock Uncalled		103,792,000.00	103,792,000.00
Fixed Assets:			
Railway and Equipment		376,863,713.95	
Harbours and Wharves		112,246,241.50	
Collieries and Equipment		148,224,483.83	
Oil Distillating Plant		22,736,747.58	
Coal Liquefaction Plant		12,313,461.15	
Iron Plant		2,986,015.15	
Facilities and Equipment not included in the above:—			
Offices	5,513,078.25		
Employees' Dwellings	47,110,223.19		
Miscellaneous	164,170,475.53	216,793,776.97	
Total Fixed Assets		892,164,440.13	892,164,440.13
Investments:—			
Bonds and Shares:			
Imperial Japanese Government Bonds	20,968.50		
Manchoukuo Government Railway Bonds	660,247.50		
Shares of Subsidiary Companies, and Other Bonds, Shares, etc.	156,453,020.38	157,134,236.38	
Loans:			
Loans to Manchoukuo Government Railways	747,000,639.00		
Loans to Other Concerns	15,200,958.20	762,201,597.20	
Total Investments		919,335,833.58	919,335,833.58
Current Assets:—			
Cash in Hand and at Banks		42,150,595.47	
Bills Receivable		868,233.80	
Exchange Accounts		283,969.66	
Accounts Receivable		154,380,751.96	
Guaranty Funds		114,103.54	
Collateral Securities, etc.		4,270,061.70	
Due from Other Concerns		542,195.56	
Inventories:—			
Merchandise:—Coal and Other Products		1,983,065.08	
Material and Supplies		80,684,504.87	
Total Current Assets		285,277,481.64	285,277,481.64
Unadjusted Accounts:—			
Partial Payments made in Advance		246,288,840.20	
Discount on Bonds		0	
Total Unadjusted Account		246,288,840.20	246,288,840.20
Total Assets			**¥2,446,858,595.55**

PROFIT AND LOSS ACCOUNT

(for the Year ending March 31, 1939)

Remarks	Income	Expenditure	Balance
Railway	192,745,937.54	82,947,546.78	109,798,390.76
Harbours and Wharves	23,084,340.65	15,840,811.92	7,243,528.73
Collieries	105,785,050.01	89,205,992.24	16,579,057.77
Oil Distillation	11,189,868.75	8,930,087.72	2,259,781.03
Generals	9,558,293.16	38,615,088.98	–29,056,795.82
Interest	45,048,132.43	50,845,944.55	– 5,797,812.12
Depreciation, Depletion, etc.		28,150,965.13	–28,150,965.13
Net Profit		72,875,185.22	–72,875,185.22
Total	**¥387,411,622.54**	**¥387,411,622.54**	**0**

Liabilities		Amount Details	 Total
Capital Stock Subscribed:—			
Held by the Imperial Japanese Government	8,000,000 shares	400,000,000.00	
Held by Public	8,000,000 shares	400,000,000.00	
Total		800,000,000.00	800,000,000.00
Paid up		696,208,000.00	
Balance Uncalled		103,792,000.00	
Reserves:—			
Legal Reserve		47,990,000.00	
Special Reserve		210,900,000.00	
Dividend Reserve		20,000,000.00	
Total Reserves		278,890,000.00	278,890,000.00
Bonds:—			
Issued in Japan		951,825,000.00	951,825,000.00
Current Liabilities:—			
Bills Payable		48,350,000.00	
Accounts Payable		42,961,545.61	
Collateral Securities, etc.		102,600.00	
Guaranty Funds		1,410,883.33	
Exchange Accounts		411,346.09	
Matured Bonds Unpaid		354,900.00	
Due to Other Concerns		1,444,388.30	
Total Current Liabilities		95,035,663.33	95,035,663.33
Deposits:—			
Employees' Savings Deposits		26,569,307.46	
Employees' Surety Deposits		76,126,235.23	
Employees' Mutual Relief Society Deposits		6,595,320.92	
Subsidiary Companies' Deposits, etc.		89,875,439.80	
Total Deposits		199,166,303.41	199,166,303.41
Unadjusted Accounts:—			
Sundry Receipts Unadjusted		31,332,724.03	31,332,724.03
Net Profit for the Year ending March 31, 1939		72,875,185.22	
Balance brought forward from Previous Year		17,733,719.56	
Total		90,608,904.78	90,608,904.78
Total Liabilities			**¥2,446,858,595.55**

DISPOSITION OF NET PROFIT

(for the Year ending March 31, 1939)

Remarks	Net profit	Disposition
Net Profit for the Year ending March 31, 1939	72,875,185.22	
Balance from Previous Year	17,733,719.56	
Legal Reserve		3,650,000.00
Dividend on Government Shares (4.43% per annum)		12,901,121.25
Dividend on Public Shares (8% per annum)		32,000,000.00
Special Reserve		15,000,000.00
Bonuses to Officials		500,000.00
Balance carried forward		26,557,783.53
Total	**¥90,608,904.78**	**¥90,608,904.78**

N.B.—The amount of Depreciation, Depletion being as follows:

Fixed Assets	34,800,438.06
Investments	9,660,078.95
Discount on Bonds	2,750,000.00
Other Assets	331,180.27
Total	**¥47,541,697.28**

The total amount has been charged to the following accounts:

Profit and Loss Accounts	28,150,965.13
Suspense Accounts	19,390,732.15
Total	**¥47,541,697.28**

Finance

The South Manchuria Railway Company was established in 1906 with an authorized capital of ¥200,000,000, and in accordance with the stipulations regarding its establishment as entered in the Government Order, subscription was open only to the Japanese and Chinese governments and their respective peoples. The Chinese, however, desisted from subscribing and the entire lot was taken up by the Japanese, the government subscribing one half of the amount or ¥100,000,000, the equivalent for which were represented in its assets in railways, mining and appurtenances which it turned over to the Company. The other half was subscribed for by the public. The authorized and paid-up capitalization of the Company is tabulated as follows:

Table 2. S.M.R. Capital

Mar. 31:	Authorized Capital	Paid-up Capital	No. of Shares Represented
1907..	¥200,000,000	¥ 2,000,000	2,000,000
1921..	440,000,000	80,000,000	4,400,000
1932..	440,000,000	334,312,000	8,800,000
1933..	440,000,000	387,156,000	8,800,000
1934..	800,000,000	512,208,000	16,000,000
1935..	800,000,000	548,208,000	16,000,000
1936..	800,000,000	584,208,000	16,000,000
1937..	800,000,000	620,208,000	16,000,000
1938..	800,000,000	676,208,000	16,000,000
1939..	800,000,000	696,208,000	16,000,000

Note: The face value of the shares was reduced by one-half i.e. from ¥100 to ¥50 in June 1929.

The Company was originally authorized to issue debentures to the amount of the unpaid share capital belonging to other than Government holders. By Imperial Ordinance No. 4 of 1910 this amount could be expanded to twice the amount of all paid-up share capital, but could not exceed the amount of the authorized capital. The Government may guarantee the payment of interest necessary, but the debentures issued with the Government guarantee must be redeemed within twenty-five years.

Investment and Accounting

The Company started its undertakings in 1907 with an estimated fund of 100,000,000 yen, of which 80,000,000 yen was raised by floating a loan in England and 20,000,000 yen by calls on shares. The funds thus raised have been invested in various enterprises. The investment in direct undertakings, including the appraised value of properties taken over by the Company from the Japanese Government in 1906, aggregated ¥892,164,000 as on March 31, 1939. The investments of the S.M.R. Company in its various branches of undertakings are tabulated as follows:—

Table 3. Investments in Undertakings of S.M.R. Company

(Unit: ¥1,000)

Year Ending Mar. 31:	Railways	Workshops	Coal Liquefaction	Steamships	Harbours	Coal Mines	Oil Refineries	Iron Works
1918	105,531	7,569	——	2,680	24,099	71,097	....	4,448
1923	189,616	11,068	——	3,560	37,064	121,057	....	34,542
1934	273,663	....	——	....	87,837	108,911	7,923	29,360
1936	305,197	....	....	....	100,471	119,794	10,518	....
1937	320,099	....	1,229	....	101,291	128,945	10,252	....
1938	317,466	....	5,302	....	110,239	137,260	12,753	457
1939	376,864	....	....	....	112,246	148,224	22,737	2,986

(Continued)	Chemical Fertilizer plant	Electricity	Gas	Hotels	Public Works	Industrial Encouragement	Others	Total
1918	..	5,738	1,555	2,075	17,786	....	21,783	263,363
1923	..	15,237	5,434	2,370	40,863	....	46,074	506,887
1934	51	....	....	4,862	180,172	....	65,650	758,429
1936	..	....	....	5,264	193,027	....	68,668	802,940
1937	..	....	....	5,319	193,483	....	73,307	833,924
1938	..	....	....	5,247	181,874	8,592	73,529	852,720
1939	..	....	....	....	....	....	....	892,164

The profits of the Company which were returned as 2,000,000 yen in 1907 increased to 45,000,000 yen twenty-three years later, namely in 1929 but fell to 21,000,000 yen in 1930 and rose to ¥72,875,000 for the fiscal year ending March 31, 1939. The railway business furnishes the most important item of revenue, followed by the coal mines, harbour undertakings and oil shale enterprise. Other enterprises of the Company to date are conducted at a loss or nominal profit, but these are intended mainly for the public benefit and to develop traffic for the railway. The expenditures for local public works such as schools, hospitals, street and road-building, industrial experiment institutes, agricultural model farms, etc., amounted to a goodly sum.

In the matter of dividends on the net profits of the Company, the Japanese Government guaranteed payment up to 6 per cent. on the publicly held shares, this in case the rate of dividend should fall below that percentage; but the Company's enterprises, especially the railways, were so successful that a 6 per cent. dividend on the publicly held shares was paid from the first fiscal year, it being gradually increased to 11 per cent. as in 1928, though reduced to 8 per cent. in 1930. The Government shares in the profit, but only after payment has been made of all charges and of the 6 per cent. dividend on the public shares. The Government received such dividends from the fiscal year 1909, and received 4.3 per cent. on its holdings from 1921 to 1927. The dividend rate for the fiscal year ending March 31, 1939 was 4.43% on government owned shares and 8% for public owned shares.

Table 4. Revenue and Expenditure Classified

(Unit: ¥1,000)

(A) Revenue

Year Ending Mar. 31:	Railway	Hotel	Harbour	Mining	Oil Ind.	Local Enterprise	General Enterprise	Interest	Total incl. others
1935 ...	126,525	2,897	15,730	85,526	3,884	7,274	2,740	26,093	270,669
1936 ...	134,686	3,215	14,394	92,560	6,962	9,408	6,667	34,267	302,159
1937 ...	133,482	2,180	15,229	87,844	7,957	9,473	11,299	31,480	299,044
1938 ...	151,053	2,180	17,724	91,177	8,517	9,063	40,652	33,729	355,048
1939 ...	192,746	....	23,084	105,785	11,190	....	9,558	45,048	387,412

(B) Expenditure

Year Ending Mar. 31:	Railway	Hotel	Harbour	Mining	Oil Ind.	Local Enterprise	General Enterprise	Interest	Total incl. others
1935 ...	43,344	2,700	10,479	75,003	3,413	18,180	16,704	31,200	224,202
1936 ...	44,730	3,159	8,483	79,846	5,911	20,946	20,935	40,705	252,535
1937 ...	48,181	2,067	10,256	75,685	7,034	24,607	21,880	43,756	248,871
1938 ...	53,957	2,036	11,486	80,672	7,030	18,493	33,484	47,844	281,119
1939 ...	82,948	....	15,841	89,206	8,930	....	38,615	50,846	314,536

(C) Net Profit

Year Ending Mar. 31:	Railway	Hotel	Harbour	Mining	Oil Ind.	Local Enterprise	General Enterprise	Interest	Total incl. others
1935 ...	82,577	197	5,251	10,523	471	–10,906	–13,964	–5,107	46,467
1936 ...	89,956	56	5,911	12,714	1,051	–11,538	–14,268	–6,438	49,624
1937 ...	85,301	113	4,973	12,159	923	–15,134	–10,581	–12,276	50,173
1938 ...	97,096	144	6,238	10,505	1,487	–9,430	–7,168	–14,115	73,929
1939 ...	109,798	....	7,243	16,579	2,260	....	–29,057	–5,808	72,875

Table 5. Disposal of Net Profit

	Profit								
	Current	Balance from previous term	Total	Legal Reserve	Dividends	Special Reserve	Dividend Reserve	Bonus	Carried to next term
1935 ...	46,467	9,182	55,650	2,330	33,270	7,000	——	400	12,680
1936 ...	49,624	12,650	62,274	2,490	36,150	7,000	——	400	16,234
1937 ...	50,174	16,234	66,408	2,510	39,030	7,000	——	400	17,468
1938 ...	73,929	17,469	91,397	3,700	42,463	7,000	20,000	400	17,734
1939 ...	72,875	17,734	90,609	3,650	44,902	7,000	——	400	26,558

Subsidiary Undertakings

Besides the railway business, the S.M.R. Co. is engaged in various undertakings such as harbour improvements, the construction and reconstruction of railways, warehousing, hotels, the administration of the Manchoukuo State Railways, the Chosen Railways, mining, the distillation of shale oil, the administration of the Railway Zone, town construction, the hospital and health service, agricultural experimental stations, schools, laboratories, etc.

Harbour Improvements.—The port and harbour improvements taken up by the S.M.R. Co., chiefly concern Dairen.

In this stupendous work of harbour and pier improvements, the Company had invested over ¥74,780,000 up to the end of 1933. The Company also operates piers at Yingkow, Antung, Port Arthur, Shanghai, and Osaka and Tsurumi in Japan. If expenditures incurred by the construction of these piers be added, the total investment will rise to over ¥90,000,000. The Company is now conducting extensive harbour construction activities at the new port of Rashin in north-eastern Korea.

Harbour expenditures of the S.M.R. Company in the fiscal year ending March 31, 1939 were ¥15,840,000 and revenue ¥23,084,000.

Railway Workshops.—One of the first undertakings that the Company took up on taking charge of railways in Manchuria was the construction of new railway workshops on an extensive scale, equipped with modern machines and facilities, at Shakako near Dairen, which works were completed and began operations in 1911.

The Shakako Railway Workshops, covering an area of 990,000 square metres and embracing 95 buildings with an independent water supply system, to-day ranks as one of the largest and best equipment in the Orient. There are machine and smith shops, iron and steel foundries and saw mills, boiler shop and girder shop, freight and passengers car shop and finishing shop, electric repair shop and power house, main office and general store, and all other necessary facilities. The magnitude of the works carried on at these shops may be gathered from the fact that, in 1933-34, they employed 3,978 employees and built or repaired cars or filled outside orders to the amount of 11,871,000 yen. It was here that the Company's new stream-lined super-express "Asia" was planned and built in its entirety. The Shakako Railway Workshops represent an investment of about nine million yen.

In addition to these railway workshops, the Company also maintains at Suchiatun a workshop where the preservative process is applied to sleepers, mine posts, and telegraph poles, and an elertric shop at Dairen where telephone and telegraph machines are repaired and various electrical experiments are carried on.

Hotels.—The S.M.R. Co. has under its direct management 15 hotels, including the Yamato Hotels at Dairen, Hoshigaura, Port Arthur, Mukden, and Hsinking, the Chikushinkan at Fushun, the Goryukaku at Wulungpei hot springs, and the Fusokan at Peking. These hotels represent an investment of over five million as of March 31st, 1939.

Business Results for Year Ending March, 1939

Receipts of the South Manchuria Railway Company for the fiscal year ending March 31, 1939 were returned at ¥387,411,622 as against expenditures of ¥314,536,437, leaving a balance of ¥72,875,185. When compared with the balance sheet for the fiscal year ending March 31, 1938, the figures are approximately the same. However, the balance sheet for that year included the proceeds from the sale to the Manchuria Industrial Development Corporation of the South Manchuria Railway Company's holdings in the Showa Steel Works and in other subsidiary companies, amounting to some ¥30,000,000 and some ¥10,000,000 paid in retirement allowances to a great number of S.M.R. employees, shifted because of the transfer of administrative establishments to Manchoukuo, leaving a net extraordinary profit of ¥20,000,000. The profit for the year ending March 31, 1939 shows in actuality an increase of ¥20,000,000 against that for the previous year, therefore.

This unprecedented profit is the result of the remarkable activity in economic circles within Manchoukuo during the fiscal year under review. When the total passenger and freight traffic on the S.M.R. lines, the North Chosen Railway and the Manchoukuo State Railways, the profits from which form the bulk of the income of the S.M.R. Company, is compared with that of the previous fiscal year, there is a 30 per cent increase or a gain of ¥25,000,000 in passenger traffic and an increase of 20 per cent or ¥50,000,000 in freight transportation, the volume of goods traffic reaching 50,000,000 metric tons.

A detailed examination of the actual enterprise expenditures of both railways and the Fushun Collieries shows that ¥80,000,000 were spent on the S.M.R. lines, ¥70,000,000 on the Manchoukuo State Railways, and ¥90,000,000, on the construction of new railways, the total reaching the stupendous sum of ¥240,000,000, far beyond the estimates made on basis of the figures for the previous year. It is worthy of special attention that such a huge expenditure was possible despite the shortage of material and labor.

Furthermore, the investments in various subsidiary companies aggregated ¥27,000,000, including ¥5,000,000 in the Japan-Manchoukuo Warehousing Co., ¥4,950,000 in the Showa Steel Works, ¥3,230,000 in the Manchuria Chemical Industries, ¥3,200,000 in the Dairen Dockyards, and ¥2,500,000 in the North China Development Company.

Varied Undertakings

The scale of business of the South Manchuria Railway Company is very extensive and its field is vast and varied. Besides the railway business, the concern is engaged in the construction and reconstruction of railways, harbour construction, and the improvement of the Dairen and Yingkow ports. The Dairen Steamship Company represents the marine side of the activities.

Next to railway, mining is one of its most essential lines of business. The Company has under its control the Fushun Coal Mine, the production of oil from shale, etc.

As to the cultural institutions, the South Manchuria Railway has made a striking achievement, introducing manifold facilities inseparable to modern city life in the cities along its tracks, viz., in Mukden, Hsinking, Antung, and about 20 other towns.

It may be said that the Company is directing the administration in those regions, with the exception of the police. It has under its management many hospitals, schools, and hotels. Prominent among the cultural institutions are the Central Research Institute in Dairen, which conducts scientific investigations of Manchurian and Mongolian products; the Geological Institute in Dairen; and the agricultural experiment station at Kungchuling and elsewhere, all of which are making valuable contributions to the study of the abundant national resources in the fertile land.

Much has been done by the Company for the economic development of the forestry, mining and marine industries. In brief, the Company has always been the leader of cultural development undertakings in Manchuria and Mongolia.

Thus the Company is doing a highly remunerative business in its proper line of business on the one hand, while, on the other, its achievements are remarkable in economic and cultural lines covering the wide field of Manchuria.

As on Mar. 31, 1939 the number of concerns to which the S.M.R. was affiliated totalled sixty-three, while subsidiaries in which the Company has furnished the entire capital stock aggregated twelve in number. The Company has since 1916 adopted the policy of dividing its various enterprises under separate management. Among such enterprises may be mentioned the Dairen Steamship Company and concerns involved in public utilities.

References:
Table Nos.: 1-6 researches of S. M. R. Co.

CHAPTER XXVIII

ECONOMIC POLICY

Any estimate of the present economic power of Manchoukuo must be a broad generalization at the most, but analyses of the various enterprises, particularly mining and the so-called heavy industries, indicate that a progress more remarkable than the most sanguine hopes entertained at the time of the establishment of the new state in 1932 has been actually achieved. In no small measure the great advances witnessed is attributable to the colossal world armament race that took place from about the time of Manchoukuo's foundation which caused Japan to push her projects for creating a self-sufficing economic entity in which Manchoukuo was to play an indispensable role. The material contributions which Japan has extended since 1932 to build up Manchoukuo is huge. It is estimated that 3,000 million yen will have been invested in the country by the end of 1939.

The aggregate results of this heavy spending is still largely unapparent, however, in that most of the vast construction projects have not arrived at the point of completion. The full effect of the present schemes will come, therefore, at an increasingly rapid rate in the next few years. By the end of 1941 it is estimated in this regard that the economic bloc of Manchoukuo and Japan will be fully self-sufficing in iron and coal, while several other indispensable industrial products will follow in rapid succession. These estimates are inclusive of the vast expansion in demand of both iron and coal and other minerals during 1939, 1940 and 1941, which represent the closing years of the original Five Year Plan.

In looking into the other phases of Manchoukuo's development, besides her expansion of industrial production, note must be made of the impressive achievement attained in the construction of railways, in the unification of the currency, in the rearing of new cities, in the development of agriculture and stockbreeding and in the growth of foreign trade. The mileage of railways in 1939 was almost double that for 1932, the present length of the entire lines being in excess of 10,000 kilometers. The currency has been completely unified and by hitching the yuan to the Japanese yen it has acquired firm stability.

The present economic policy of Manchoukuo has resulted in a larger volume of foreign trade in which practically all countries have benefitted. The total turnover has increased from roughly 956 million yuan in 1932 to 2,000 million yuan in 1938.

Manchoukuo's future has been justly compared to that of the United States in the closing decades of the 19th century. Its vast territory of 1,300,000 square kilometers has entered literally the first stages of exploitation. The rich and varied natural resources of the country have been hardly unearthed, while the further development of the agricultural lands will increase the importance of the country as a supplier of farm products to foreign countries.

LAW CONTROLLING IMPORTANT INDUSTRIES

On May 1, 1937 the Government of Manchoukuo formally promulgated as effective on and after May 10 the much-heralded Law Controlling Important Industries which, it is claimed, is so designed as to afford juridical order to the structure of what is termed "controlled economics."

The drafting of this important law which conforms to the fundamental industrial policy of the Government dates back to March, 1936.

The law draws a clear-cut line of demarcation between controlled and free enterprises. The most salient characteristics of the law are first, the adoption of a licensing system applicable to industries coming under it, second, the authorization of the Government to issue to the affected industries any orders deemed necessary for the welfare of the public and for the State control of such industries and, third, the bestowal upon the Government of the right to control or supervise the activities of these industries, to call for reports upon them or to inspect conditions whenever necessary.

Nineteen different industries are affected by this law, it being announced that all other enterprises will be treated as free from the point of view of totalitarian economics. Simultaneously with the promulgation of the new law, all decrees and regulations thus far issued by the Department of Industry in conjunction with free enterprises were all rescinded, but the Government earnestly appeals to their proprietors more strictly to observe their moral obligations in order not to fall into the evils of capitalism.

Industries Under New Law

In an Imperial Ordinance issued on May 1, 1937 nineteen industries were defined as being affected by the new Industrial Law. The nineteen industries are as follows:—

1. Manufacture of arms and ammunition.
2. Manufacture of aircraft.
3. Manufacture of automobiles.
4. Production of liquid fuel (including mineral oils and pure alcohol) and refining of iron, steel, aluminium, magnesium, lead, zinc, gold, silver and copper (excluding the wet process of refining gold and silver).
5. Coal-mining enterprises (excluding mines producing less than 50,000 tons of coal annually).
6. Manufacture of woollen piecegoods (excluding handicraft piecegoods).
7. Cotton spinning.
8. Manufacture of cotton piecegoods.
9. Hemp and cotton manufacturing enterprises (producing more than 50 tons annually).
10. Flour milling (producing more than 500 sacks daily).
11. Manufacture of beer.
12. Production of sugar.
13. Manufacture of pulp.
14. Tobacco manufacturing enterprises (producing more than 10 million cigarettes annually).
15. Production of soda (excluding enterprises producing natural soda).
16. Manufacture of fertilizers (including sulphate of ammonia, ammonium nitrate, superphosphate of lime and calcereous nitrate).
17. Oil-refineries (operating more than 15 resinificating machines or compressors).
18. Production of cement.
19. Manufacture of matches.

The State Ministers who are to control these nineteen industries are also defined in the ordinance. Enterprises producing arms and ammunition or aircraft are to come under the supervision of the Minister of Industry (in the region ruled by the Department of Mongolian Administration) and the Minister of Defence. Industries manufacturing liquid fuel and matches are to be supervised by the Minister of Industry, (in the region governed by the Department or Mongolian Administration) and the Minister of Finance. All the other laws are to be placed under the exclusive control of the Minister of Industry. The ordinance was enforced on May 10, 1937 simultaneously with the enactment of the new law.

GOVERNMENT'S STATEMENT

The ultimate aim of the important Law Controlling Key Industries promulgated May 1, 1937 is to stabilize the economic life of the nation by further consolidating, on the one hand, the foundations of the so-called Japan-Manchoukuo economic bloc and on the other, by perfecting national defense.

The statement announces that the utmost prudence has been used by the Government authorities in designating the kinds of industry to be affected by the new law with an eye especially to the cementation of the Japan-Manchoukuo economic bloc, adding that State control of the nineteen industries named is an absolute necessity for this purpose. Reasserting the Government's fundamental policy aimed at the development of what are termed "controlled economics," the statement emphasizes that the promulgation of the present law has been found imperative to develop domestic industries along the lines of the said policy.

It declares, however, that the Government does not think it necessary to control all enterprises, industrial or agricultural, alike. In careful consideration of the importance and characteristics of every enterprise, it explains, the application of the present law has been limited to the nineteen kinds of enterprises mostly relating to the production of industrial and mineral commodities.

The statement further declares that the nineteen industries defined as coming under the law are of tremendous importance for the sound development of national economy and the perfection of national defense. The principles of the law, it goes on to state, are:

1. As regards enterprise of importance from the standpoint of national defense and those closely related to national economy, the Government will continue its fundamental policy of entrusting one enterprise to one corporation or of treating these enterprises as special ones under State guidance and control with a view to ensuring their sound development.

2. With reference to enterprises for the manufacture of finished commodities from raw materials being yielded at home, the Government by enacting the present law plans to adjust the relation between enterprises of this sort and those producing such raw materials.

3. In the case of those important enterprises whose productivity is too big for the actual consumption of their manufactures, the Government intends to mediate among them to co-operate closely in the satisfactory adjustment paying especial consideration to the welfare of the public.

Along with these three fundamental principles, the statement announces, the Manchoukuo Government desires to facilitate the wholesome development of all important industries as in the case of Japan.

Revision in Industry Control Law.—In order to meet the new situation brought about by the rapid changes in the economic conditions of Manchoukuo and the development of the China Incident, the authorities of the Manchoukuo Department of Industry decided in March, 1939 to expand the scope of the Law for the Control of Important Industries in the country, extending it to eight additional industries, namely, gold mining, salt manufacturing, carbide manufacturing, artificial rubber manufacturing, the shipbuilding and dock industry, electrical and telegraphic equipment manufacturing, livestock products, the leather and hide industry, and paper manufacturing. At the same time stricter control was to be enforced over steel manufacturing, cotton textile manufacturing, wheat milling and oil milling, which are already included in the list of State-controlled industries.

THE 5-YEAR INDUSTRIAL PLAN

Manchoukuo had entered on the first of the five years over which her industrial expansion plan had been launched when the North China incident took place in July, 1937. The subsequent developments, as may be expected, gave rise to misgivings in Manchoukuo whether Japan would be in a position to undertake the huge programme involving an outlay of 2,350 million yen. These apprehensions were deepened when the debenture scheduled for an early issue at the time in Japan was cut in half. On the other hand, there was a contrasting body of opinion which held that the developments in North China would be factors making for stressing the importance of the economic undertakings in Manchoukuo. As things have worked out in Manchoukuo, the latter view has proved correct in more than one respect. For while the hostilities have been in progress on Chinese soil, the economic cooperation between Japan and Manchoukuo has assumed an increasingly closer character. In point of finance, economy and natural resources the two countries are now more closely united than ever.

Re-examination of Manchoukuo's Economies

Manchoukuo's sense of uncertainty grew from the apprehension that Japan, with her influence extending in North and other parts of China, may find more attraction for her financial and industrial operations elsewhere than Manchoukuo. There was a general impression Japan might have a more open field for her investment in North China. This thought sprang in most part from the financial policy Manchoukuo, in her early days, followed against the predatory capitalism that might have crossed the sea. As a matter of fact, however, the position of Manchoukuo has been more clearly defined in the economic outlook of Japan with regard to North China. To put the whole thing in a nutshell, the China war has given definite direction to the plan under which Manchoukuo is to be developed economically and industrially, as made plain in the newly revised 5-year industrial expansion plan.

As stated in more detail later, the 5-year industrial plan on which Manchoukho embarked in 1937 has been altered under the impact of the China war. The plan as it was originally launched laid the main emphasis upon the internal industrial development of Manchoukuo, her relations with Japan being adjusted on that basis. But the current industrial plan in its revised from mainly stresses the consideration of Japan's industrial expansion, Manchoukuo's own industries having assumed a role of secondary importance. Also in point of the scope of its operation, the new plan has been considerably enlarged as indicated by the capital outlays envisaged. For instance, whereas the former programme involved an outlay of 2,350 million yen without any possibility of exceeding it by more than three or four hundred millions, the new programme will call for a capital outlay of at least 4,800 million yen, the objectives being the production of not only coal and iron but liquid fuel on a scale much more ambitious than originally planned. It is obvious that the position of Manchoukuo within the tripartite economic and industrial combination of Japan, Manchoukuo and China has been enhanced to a marked extent.

The Revised Economic Policy

Manchoukuo has since her earliest days managed her economies in concert with Japan. As the latter intensified her control over her economic and financial operations so Manchoukuo has done with hers, as may be seen in the matter of the foreign exchange or of her managed external trade. The balancing of their international accounts has been done on a common basis, the same policy having resulted in the present exchange agreement between Japan and Manchoukuo. When Japan imposed a license system on import exchanges exceeding ¥100, Manchoukuo followed suit by fixing the limit at ¥1,000, which amount, however, was later changed to ¥100 as in Japan. The adjustment and regulation of imports and exports are directed in relation to the position of the two countries with regard to third countries. Thus, from an external point of view, the economies of Manchoukuo are well adjusted to the current conditions in Japan.

From an internal point of view as well, efficient teamwork is in evidence. For instance, since the military outbreak in China the state control has been strengthened over iron and wheat flour. Now the new industrial plan is certain to call for huge supplies of construction materials, labour and technical forces. But Japan will hardly be in a position to meet these requirements. In view of the heavy demands for construction materials which are bound to force up prices, it is now thought necessary for Manchoukuo to enforce a price control policy in an intensive form. It was also from the same consideration that the Japan Industrial Company was recently brought under the law of Manchoukuo. This meant a definite revision of Manchoukuo's policy that each individual branch of industry should not be undertaken by more than one corporation in the country. Because the Japan Industrial Company, now renamed the Manchuria Industrial Development Corporation, is a holding company with a wide range of enterprises under its control, the transference of this composite enterprise from Japan meant an acceptance on the part of Manchoukuo of the new conditions imposed upon her, making a revision of her managed economies necessary, and an acceptance on her part also of the principle that higher efficiency and better results would be achieved where the bureaucracy shows decent regard for other points of view.

The Revised 5-Year Plan

It must be admitted that when the original 5-year plan was made public it attracted attention as a theoretical rather than a practical proposition. This was in the first place because the plan itself seemed too extravagant and, secondly, because there was not an adequate objectivity of view with regard to the conditions which called for such grandiose undertakings. The necessity for productive expansion would hardly have been driven home to most industrialists in Japan but for the current China war. Under the impact of the military incident Japan was compelled to quicken the tempo of her own 4-year industrial plan which was just about getting under way in concert with the Manchoukuo plan. The new situation left her no choice but to develop her heavy industries under a plan common to the two countries. In these circumstances the scale of capital outlay has been extended from 2,350 million yen to something like 4,800 million yen. The scope of the extension has also been broadened by the addition of machine tools and chemical fertilizer. This plan will appear even more impressive when it is seen that Manchoukuo's current budgetary programme is a trifling affair of 403 million yen.

The revision of the original 5-year plan was approved at the Japan-Manchoukuo joint conference held in Tokyo in March-April, 1938. The objectives were stated as follows: "(1) In consideration of the newly developed international conditions, especially of the East Asiatic bloc enlarged through the China Incident, the need for productive expansion for the joint unit of Japan and Manchoukuo, with due regard for North China, shall be recognized, the enlargement and revision of the plan being made according to the resources and other conditions in Manchuria. (2) From these considerations the main emphasis will be laid upon the mining and manufacturing industries. With regard to agriculture and livestock raising, the first importance will be given to the matter of establishing definite productive standards under an intermediate plan preliminary to the permanent agricultural policy to be framed for the security of native life. In accordance with these considerations, the plan should be so framed as to meet in some measure the needs of national defence."

The Manchoukuo Government, calling a special joint Japan-Manchoukuo meeting on May 14, 1938 at Hsinking, brought forward the plan for revision on the same lines. The meeting was attended by representatives of the Kwantung

Army, the Special Corporations, the Manchoukuo Government, the South Manchuria Railway Company, the Manchuria Industrial Development Corporation, etc., who were equally called upon to cooperate for the successful prosecution of the new industrial expansion plan.

Mineral and Manufacturing Industries

Pig Iron & Steel.—The prospective output of pig iron under the new 5-year plan has been raised from 2,400,000 metris tons to 5,000,000 metric tons. The output of steel ingots and steel products are now to be approximately 5,500,000 metric tons and 2,000,000 metric tons respectively. While it is not clearly revealed what proportion of these products is to be supplied to Japan, the quota of pig iron set for that purpose appears something like 2,000,000 metric tons a year. These proposed undertakings are mainly based upon the extensive developments of the Showa Steel Works and the Penhsihu Foundry. The plan is also to be reinforced by the developments of the rich resources recently found in Tungpientao.

Coal.—The plan for coal production has been advanced from 25,500,000 metric tons to 38,000,000 metric tons in order to meet the envisaged increase in demand for steel and liquid fuel manufacture as well as for power plants. The amount to be supplied to Japan after 5 years is 6,000,000 metric tons per year. The plan is based upon the development of the Fushun mine of the South Manchuria Railway Company and a number of mines controlled by the Manchuria Coal Mining Company. The Coal Control Committee announced in May, 1938 the estimated output for that year to be 17,500,000 metric tons, an increase of 3,400,000 metric tons over 1937.

Electric Power.—The revised objective of power enterprise is 2,600,000 kilowatts, to be generated about equally by water and coal. This approaches a 2-fold increase as compared with the original objective of 1,445,000 kilowatts. The main sources are the rivers Yalu and Second Sungari.

Wood Pulp.—The production of wood pulp is to be advanced from 120,000 metric tons to 400,000 metric tons a year. In addition to wood, reeds and bean husks are also to be used for the making of rayon raw material, the former by the Kanegafuchi Spinning Company near Yingkow and the latter by a new enterprise at Hukui.

Gold.—The output of gold is to be brought up from 200 million yen to 300 million yen for the five year period, emphasis being laid upon the development of new mines.

Industrial Salt.—The manufacture of industrial salt is to be raised to approximately 1,000,000 metric tons. With regard to aluminium, magnesium, zinc, lead, copper, etc. generally a 2-fold increase plan is being contemplated.

Agriculture

Agriculture and livestock raising are to be promoted chiefly with a view to the material interests of the rural population. The agricultural administration is to be directed with regard to the development of a cooperative spirit between indigenous workers and Japanese settlers. The direction of agricultural development is in the hands of cooperatives whose policy has not always been as successful as desired in 1937.

Capital Resources

The capital requirements for the second and subsequent years of the plan are estimated at 4,800 million yen. The above amount is classified as follows: 700 million yen for iron and steel; 300 million yen for coal; 500 million yen for electric power, 1,000 million yen for coal liquefaction; 1,300 million yen for the mechanical, chemical and other industries; 140 million yen for agriculture and stockbreeding, 640 million yen for transportation and communications; and 220 million yen for immigration.

Of this Japan is to furnish some 1,400 million yen and Manchoukuo 2,100 million yen, the special equipment and materials to be obtained from external sources being estimated at roughly 1,300 million yen. The authorities have expressed their confidence of being able to finance the proposed external purchases through trade and exchange arrangements to be made with other countries. The promotion of export trade and gold production will also be undertaken to reinforce the country's trade position abroad. On the other hand the inducement of foreign capital, including constructive and productive materials and technique, is thought to depend upon two conditions, namely, (1) Japan's decisive victory over China, and (2) political and productive conditions in other countries.

Table 1. Estimated Capital Outlay for Original and Revised Five-Year Industrial Plan,

1937–1941

	Original Plan (million yen)	Revised Plan (million yen)
Mining and Industry:		
Iron and Steel	230	700
Coal	150	300
Electric Power	210	500
Coal liquefaction	320	1,000
Mechanical, Chemical, etc.	310	1,300
Total	1,220	3,800
Agriculture & Stockbreeding	130	140
Transportation & Communications	1,000	640
Immigration	—	220
Grand Total	2,350	4,800

Table 2. Suppliers of Capital for Original and Revised 5-Year Industrial Plans, 1937–1941

Suppliers:	Original Plan (million yen)	Revised Plan (million yen)
S.M.R. Co.	900	...
Manchoukuo Govt.	700	2,100
Japanese "	...	1,400
Foreign Countries	...	1,300
Others (chiefly special concerns)	750	...
Total	2,350	4,800

Table 3. Estimated Annual Production in Closing Year of Original and Revised 5-Year Industrial Plans,

1937–1941

	Original Plan (Unit: 1,000 metric tons)	1st Revised Plan (Unit: 1,000 metric tons)	2nd Revised Plan (Unit: 1,000 metric tons)
Pig Iron	2,400	5,000	5,000
Steel	2,225	3,500	5,500
Steel Materials ..	...	2,000	2,000
Iron Ore	6,600	6,600	12,000
Coal	25,500	38,000	38,000
Electric Power:			
Thermal	575 (a)	1,260 (a)	1,260 (a)
Hydro	870 (a)	1,340 (a)	1,340 (a)
Liquid Fuel:			
Coal Liquefaction	500	500	1,700
Shale Oil	800	650	650
Spirit	56	56	150
Aluminium	20	...	...
Magnesium	2	...	...
Salt	870	1,000	1,000
Soda Ash	72	...	...
Pulp	120	400	400
Asbestos	5	...	...
Lead	124	...	...
Gold (total amount for 5 years) ..	200 (b)	300 (b)	300 (b)
Automobiles	4,000 (c)	...	...
Aeroplanes	240 (d)	...	...

Note: (a) In 1,000 kilowatts.
(b) In million yen.
(d) Cars.
(d) Aeroplanes.

RESULTS OF THE FIRST YEAR OF THE 5-YEAR PLAN

It may be of interest to review what has been actually accomplished in the first of the five years set for the industrial expansion. It should be noted above all that the China war, although occuring in the midst of the year in question, namely in 1937, had no material effect on this plan, as far as its progress was concerned. While Japan's wartime resuirements had incontestably their effects upon her supply of capital, building materials and raw materials, the plan as a whole was carried through as originally conceived. Manchoukuo being in a backward stage of development, the first year was chiefly devoted to the business of laying foundations. This was especially conspicuous in the coal liquefaction enterprise; for the whole business had to start with the selection of a site to the placement of orders for machinery. From the financial point of view, all this foundation work for the first year involved a total outlay of 450 million yen, which was provided by the Manchoukuo Government and the participating "special corporations."

In the fields of mining and metallurgical industries, especially iron and steel which form the most important part of the current programme, and in coal-fired electricity and soda ash progress has been made as originally proposed. In railway construction, road and harbour works, and provision of communication systems the proposed plan was carried through generally on time, despite the wartime drain on labour and material resources.

The foundations for livestock raising and agriculture were completed in view of their close bearings upon daily life. But in the matter of spreading the idea of integrating the crops the results achieved so far are not so successful, because of the incompetency of the men employed for that purpose and also on account of the adverse conditions imposed by floods.

Next, in the field of mining and manufacturing industries mention should be made, first of all, of the Showa and the Penhsihu Iron Works. The former at once set about their two successive plans, the third and the fourth, under which a pair of 700 ton furnaces and another pair of furnaces of equal capacity are to be installed. Now that these successive plans are so far advanced as to promise their completion in the year 1940, the production of pig iron to the amount of 700,000 metric tons, and of iron and steel to that of 600,000 metric tons, was successfully accomplished for the first year as originally proposed. The output of coal for the first year was 3 million metric tons as against the 4 million proposed. This was partly due to the great emphasis laid on the opening of new mines rather than the existing deposits and partly because the business year of the Manchuria Coal Mining Company did not coincide with the calendar year, on which the statistical data were based.

The output of gold, which is to be 200 million yen for the 5 years, amounted to approximately 12 million yen as against the 14 million yen set for the year in question. This branch of the metallurgical industry is thought promising because of the extensive plan to be launched by the Manchuria Mining Company, one of the affiliated enterprises of the Manchuria Industrial Development Corporation. The output of 300 million yen proposed under the revised plan is thought a goal by no means too difficult to attain.

The manufacture of liquid fuel is represented by the Fushun plant operating with oil shale from open pit mining, the Mitsui enterprise at Chinchow and the Chemical Oil Industrial Company's plant at Ssupingkai. But none of these establishments were ready to turn out produce for the first year, namely 1937, their work being confined to foundation work. The Mitsui enterprise was originally planned to be placed closed to the Fushun coal mine, but Chinchow is the present choice. The plans to liquefy coal at a point in Chientao and at Sansing have been abandoned, while Shulan and Ilan in Kirin Province have been atded to the prospective list. The Manchuria Synthetic Fuel Company under the control of the Mitsui interests has completed its foundation work at Chinchow. The Chemical Oil Industrial Company at Ssupingkai, making better progress, has set about installing the machinery, their product being expected in the market in 1939.

RESULTS OF SECOND YEAR OF THE 5-YEAR PLAN

The Five-Year Industrial Plan during its second year of operation in 1938, according to the report of the Industry Department, on the whole progressed smoothly. It achieved more than its desired results in the field of steel production and electric generation while in the other fields of mining and manufacturing preparations and equipments were completed practically according to schedule but production process was delayed. Except a 33 per cent decrease in the production of salt as compared with the result obtained during the first year, productions rose in all branches of the Plan.

Iron and Steel.—In the production of pig iron, steel materials, and steel ingots, an increase was registered respectively of 17 per cent, 50 per cent, and 18 per cent as compared with the results obtained during 1937, the first year of the Five Year Plan. This meant an attainment of the second-year goal to the extent of 99 per cent for pig iron, 112 per cent for steel materials, and 95 per cent for steel ingots. Moreover, a result beyond expectation had been obtained in the installation of furnaces and other equipments, mostly made in Manchoukuo. In the construction of hydro-electric power plants, all foundation works progressed according to, or even beyond, the schedule.

Coal.—In the production of coal, an increase of roughly 5 per cent was achieved over the first year results, the Manchuria Coal Mining Company producing 300,000 tons and the S.M.R. collieries chalking up 800,000 tons. The chief difficulty felt was the shortage of labor and lumber supplies. The lag in the importation of equipments and materials have caused a delay in the construction of coal-liquefaction plants.

Soda and Pulp.—The production schedule of soda and ammonium sulphate progressed smoothly, but the production of pulp did not measure up to the second-year goal due chiefly to the delay experienced in the utilization of forest resources in the Hsingan Ranges.

Gold, Zinc, etc.—In the realm of gold, zinc, lead, copper aluminium, and magnesium industries, concentrated efforts were still being directed in completing preparations for increased or initial productions and, naturally, the actual production was 24 per cent short of the expected goal. The salt industry lagged and the production reached only about 40 per cent of the goal on account of the excess of rainfalls.

Agricultural Plans.—The agricultural plans received an unexpected setback on account of damages caused by cold and flood. Besides, the program of establishing Agricultural Cooperative Associations did not progress according to schedule, and their participation in the program of increased production was sadly delayed. Yet, the program of opening up new farms progressed steadily and general results as shown by the third corp estimate for 1938 was fairly satisfactory. The productions of soya beans, maize, rice, and tobacco exceeded the expected results; of some 182,000 hectares of the area under cotton, only some 156,000 hectares matured due to the unreasonable cold weather but the actual yield was comparatively good; the wheat, kenafe, and lucerne crops did not measure up to the required goal due to abundance of rain, while the flax and wild silk productions were on the whole satisfactory.

Livestock Industry.—In the live-stock industry, accurate figures are yet unavailable but the actual increase was reported to be on the whole up to the estimated figure. Consequently good results were secured in the improvement of the quality of pork, beef, skins, and wool, while the results obtained in the case of sheep, horses, and cattle were nothing outstanding. The question of improving the entire field of livestock industry, thus remains for the third year to face.

Railways, etc.—In the construction of railways, highway, and harbors, results exceeding expectations were registered. Passenger and freight traffic was 100 per cent of schedule on the State Railways and about 70 per cent on private transit services. Construction and repair of roads and highways connected with defense and industrial promotion were realized to an extent of 225 per cent.

Immigration.—The outbreak of the China Incident has unavoidably impeded the set programs for Japanese immigration into Manchuria and the actual number entering the country fell short of 25,000 households, which is the combined quota for the first two years. This shortage was amply made up, however, by the arrival in Manchuria of the newly inaugurated youth volunteer settlers, of whom 17,429 entered various training camps in Manchoukuo during 1938. These youths, after two-year training, will join various types of Japanese settlements. Moreover, the Japanese colonists had a net income of about 800 yen on the average from each cho of land (0.991 hectares or 2.46 acres) after deducting living expenses, repaying borrowed capital, and meeting miscellaneous expenditures, the yield from each cho of land being between ¥1,800 and ¥2,000.

Funds.—Of the estimated fund of 850 million yen needed for the second year of the plan, about 80 per cent had been actually secured. This included the yen-funds of 460 million yen, comprising 150 million yen from Japanese bond flotations, and 310 million yen raised by special corporations in Manchuria. With the exception of the Manchuria Coal Mining Company, the other special corporations on the whole succeeded in raising their needed funds without much difficulty. Due to the dismal international situation and the lag in exports the expected amount of foreign capital could not be obtained in 1938.

In conclusion, it should be added that the first and second years constitute a period of preparations and the actual results of the Five-Year Industrial Plan will not be shown until the end of the fifth year after passing through another period of added preparations during the third and fourth years.

Supplies to Japan from Manchoukuo

At an emergency economic conference, held by the Manchoukuo Government on July 23, 1938, composed of civil and military officials and leaders of special companies in Japan and Manchoukuo, the following products were to have been supplied to Japan by Manchoukuo in 1938:

Items	Metric Tons
Pig Iron & Semi-Finished Products	350,000
Low Phosphorous Pig Iron	120,000
Coal	3,380,000
Pulp	30,000

In addition an increase in the supply of lead, zinc, copper, heavy oil, asbestos, wool, hemp, salt, ammonium sulphate, livestock fodder, etc. was to have been made to Japan in the same year.

Japanese Supplies to Manchoukuo.—1. Steel consumption for 1938 in Manchoukuo was estimated at 950,000 tons, the supply of which was to have been apportioned respectively as follows: Manchoukuo, 350,000 tons, Japan, 350,000 tons; foreign countries, 230,000 tons. The conference to decide on the increase of Japanese supplies to 392,000 tons and the decrease of foreign supplies to 130,000 tons.

2. When companies in Manchoukuo place an order in Japan for materials necessary for the Manchoukuo five-year industrial development plan, they should report beforehand to the Manchoukuo Government.

3. The supply of necessaries, such as wheat flour, cotton yarn and cloth, etc., will not be restricted.

JAPANESE INVESTMENTS

Japanese investments in Manchoukuo prior to the establishment of the new state in 1932 is estimated in round figures at 1,600 million yen. Investments made after 1932 and inclusive of

1938 amounted to 1,934 million yen, according to the Manchurian Affairs Board. The total Japanese investments outstanding as of December 31, 1938 thus amount to 3,534 million yen. Japanese investments for 1939 are tentatively placed at 823 million yen.

The rate of Japanese investments in Manchoukuo has been increasing at a steadily faster pace in recent years, and in 1938 it was approximately three times larger than the corresponding figure for 1933. This increase in investments is due principally to a growing appreciation of the industrial potentiality of Manchoukuo in solving Japan's economic problems.

Table 4. Japan's Investments Outstanding in Manchuria

Year			Year		
1902	G.$ 1,000,000	(a)	1930	¥1,600,000,000	(b)
1914	G.$219,600,000	(a)	1938	¥3,534,000,000	(c)

Note: (a) C. F. Remer's estimate which includes Japanese investments in China as well as in Manchuria.
(b) Research Office, South Manchuria Railway Company.
(c) Research Office, South Manchuria Railway Company up to end of 1930; from 1932 to 1938 by Manchurian Affairs Board. The total does not include the "Manchurian Incident Expenses" of Japan which aggregated ¥1,310,179,000 at the end of 1937.

Scheduled Investments for 1939.—The total amount of funds (including S.M.R.'s) to be raised in Japan in 1939 for investment in Manchoukuo is estimated at 823 million yen, representing an increase of roughly 362 million yen over the actual amount of loans and debentures raised in Japan in 1938 for the same purpose, and a gain of 267 million yen in the flotation of new loans (excluding Japanese-transferred loans and debentures) in comparison with the previous year. It is believed that Japanese investments in Manchuria through loans and debentures will continue to show marked increase for the next few years.

The principal Japanese investments made since the establishment of the state of Manchoukuo in 1932 is given below:—

Table 5. Principal Japanese Investments Since 1932

(Unit: ¥1,000)

	Call on subscription to S.M.R. Co. share	Net increase of debentures S.M.R.	Borrowing of S.M R.	Opening of S.M.R. holding shares	Net increase of debentures borrowings of Affiliated Cos. of S.M.R.	Capital paid up for newly created Cos.	Capital called up by Cos.
1932	25,000	40,000	....	....	....	12,203	....
1933	61,900	20,200	....	....	1,700	38,345	....
1934	36,000	130,000	....	....	30,450	65,225	....
1935	36,000	135,000	75,000	340	38,875	21,983	....
1936	36,000	155,000	(–)75,000	17,205	31,750	36,046	23,394
1937	56,000	21,000	84,000	....	20,050	34,144	50,719
1938	20,000	115,000	(–)59,000	1,344	118,700	91,612	42,285

	Manchoukuo National loan	Manchoukuo foundation loan	North Manchuria Rys. loan	Borrowings for N. Manchuria Ry.	Manchoukuo Special Enterprise loan	Bond for financing industries	Total
1932	20,000	....	....	....	....	....	97,203
1933	....	30,000	....	....	....	....	151,745
1934	....	....	....	....	10,000	....	271,675
1935	(–)2,000	(–)2,000	60,000	15,000	....	....	378,598
1936	(–)2,000	(–)4,000	60,000	(–)15,400	....	....	268,995
1937	(–)2,000	(–)6,000	....	38,360	....	45,000	341,273
1938	(–)2,000	(–)8,000	50,000	38,360	100,000	....	430,981
Total							

Note: (–) represent amounts redeemed.

Table 6. Net Increase of Debentures and Borrowings of S.M.R. Co.'s Affiliations Classified

(Unit: ¥1,000)

	South* Manchuria Electric Co.	Manchuria† Chemical Ind. Co.	Manchuria* Telegraph & Telephone Co.	Manchuria* Colliery Co.	Manchuria† Colliery Co.	Manchuria* Electric Co.	Showa Steel* Works	Total incl. Others
1932	....	....	....	....	....	....	....	....
1933	....	....	....	....	....	....	....	1,700
1934	10,000	12,000	8,000	....	....	....	....	30,450
1935	....	....	7,000	10,000	....	10,000	10,000	38,875
1936	....	(–) 6,250	....	....	5,000	15,000	18,000	31,750
1937	....	4,050	8,000	....	13,000 (–) 5,000	....	....	20,050
1938	....	(–) 9,800	6,000	10,000	20,000 (–)10,000	.... 20,000†	....	118,700

Note: * Debentures. † Borrowings.

The principal Japanese investments classified by industries in Manchuria is tabulated as follows:—

Table 7. Principal Japanese Capital Investments Outstanding By Kinds of Industry

(Unit: M¥1,000)

	Agriculture & Forestry			Fishery			Mining			Mfg. Industry		
	Amount	%	Index	Amount	%	Index	Amount	%	Index	Amount	%	Index
1931	9,000	0.9	93.0	35	..	2.4	3,475	0.3	7.2	90,936	9.2	24.0
1935	9,705	0.5	100.0	1,407	0.1	100.0	48,050	2.5	100.0	379,153	19.9	100.0
1936	9,892	0.4	102.0	1,407	0.0	100.0	48,275	2.1	100.0	533,233	23.2	141.0

	Transportation			Banking & Commerce			Others			Total		
	Amount	%	Index	Amount	%	Index	Amount	%	Index	Amount	%	Index
1931	803,179	81.9	62.0	56,981	5.8	58.0	17,461	1.7	23.0	389,067	100.0	52.0
1935	1,290,030	67.9	100.0	97,746	4.1	100.0	76,320	0.1	100.0	1,902,411	100.0	100.0
1936	1,430,482	64.1	111.0	102,195	4.5	105.0	105,454	4.6	138.0	2,230,938	100.0	117.0

Foreign Investments

Foreign investments in Manchuria, other than Japanese, as in 1928 amounted to 553 million yen, according to the South Manchuria Railway Company. The investments are classified as follows:

Foreign Investments in Manchuria by Countries (1928)

		%
U.S.S.R.	¥465,015,000	82.5
Great Britain ...	39,590,000	7.0
United States ...	26,400,000	6.5
France	21,086,000	3.8
Sweden	850,000	—
Denmark	157,000	—
Total	553,098,000	100.0

Japanese and Manchoukuo Companies

The number of Japanese companies in Manchuria at the end of 1938 totalled 1,189 with a paid-up capital of ¥904,789,000. The Manchurian companies numbered 2,834 with a paid-up capital of ¥1,589,900,000.

The special and quasi-special concerns are financed by the S.M.R. Co., and other Japanese interests to a considerable extent. The same is the case with ordinary enterprises. For instance, the Mitsui interests are represented by the Manchou Soya Bean Industry, the Japan-Manchoukuo Flour, the Manchou Chemical Industry, the Mukden Arsenal, the Manchou Pulp; the Mitsubishi interests by the Manchou Chemical Industry, the Japan-Manchoukuo Magnesium, the Daido Cement, the Japan-Manchoukuo Flour, the Manchou Beer; the Sumitomo interests by the Manchou Magnesium; the Okura by the Japan-Manchoukuo Flour, the Mukden Arsenal; the Oriental Development Co., by the Japan-Manchoukuo Flour, the Asano Cement by the Daido Cement.

MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION

The object of the Manchuria Industrial Development Corporation is to invest in and supervise the management of various companies established for the purpose of developing iron mining, light metal, automobile manufacturing, aircraft manufacturing, coal mining, and other industries in Manchoukuo. The Corporation may also invest in gold, zinc, lead, copper and other mining industries in Manchuria as well as in various other domestic and foreign enterprises which were given approval by state ministers of those departments concerned. The Corporation may also act as a promoter for the establishment of various companies which aim at developing the aforementioned industries and may accommodate those companies with funds or guarantee their liabilities.

By merging or newly establishing various subsidiary companies, the Manchuria Industrial Development Corporation will undertake the exploitation of the three largest mineral resources, name, iron, coal and light metal, as well as other mineral industries in Manchuria. It will manage the automobile and aircraft manufacturing industries and is entitled to promote any other industry with the approval of state ministers concerned.

The transference of the Nippon Industrial Company, with its widely ramified affiliations, to Manchoukuo and the formation of the Manchuria Industrial Development Corporation in December, 1937 may be explained by two main reasons.

In the first place, the economic ideology enforced up to that time in Manchuria had been found unsatisfactory. It was found necessary to adjust her industries more in line with the conditions in Japan in order to effect a smooth and logical cooperation between the two countries. Idealism had to be modified to fill the gap which would not have been so much of a handicap under ordinary circumstances.

In the second place, under the increasing pressure of productive expansion Manchoukuo had to turn to the development of internal resources and enterprises. Prior to the China Incident her main industries had been mostly dependent upon the industries of Japan. When the 5-year industrial expansion plan was launched it began to be seen that Manchoukuo's dependence upon Japan would have to be reduced.

The conditions imposed by the China conflict made an early decision in this matter imperative, and the exploitation and development of Manchoukuo's natural resources now emerged as an urgent issue. In order to accomplish it a coordinated plan had to be evolved. The policy hitherto followed of placing one major industry under one company failed to make for the integration and coordination of various enterprises. The unwritten law of restricting profit dividends was also found objectionable. The consideration of an increase of material production had to be placed before ideals of managed economies. From this necessity the heavy industries of the country had to be transferred from an individualist to a composite system. Thus Manchoukuo is now neither to step ahead nor lag behind Japan in the prosecution of her industrial plan. The two have been brought into a harmonised combination.

A further advantage which will accrue as a result of the formation of the new concern is that by using the Nippon Industrial Company as its nucleus, the Manchuria Industrial Development Corporation would acquire the shareholders of the former company, which numbered as much as 54,574 in November, 1937, as well as its negotiable security holdings in its subsidiary companies. It will also receive the benefit of the experience and technique gained by the personnel of the Nippon Industrial Company and its subsidiaries during their many years of activity. The above-mentioned benefit becomes the more valuable when viewed from the fact that the subsidiary companies operated by the Nippon Industrial Company, are all of national importance and that many of them are quite similar to the heavy industries planned by the Manchoukuo Government.

Table 8. Financial Condition

(¥1,000)

		Average paid up capital	Profit	Profit Rate (%)	Dividend Rate (%)
1933	2nd half ..	65,083	5,910	18.2	10.0
1934	1st half ..	71,420	10,590	29.7	12.0
	2nd half ..	94,505	11,933	25.3	12.0
1935	1st half ..	99,415	6,747	13.6	12.0
	2nd half ..	112,671	7,606	13.5	10.0
1936	1st half ..	124,561	8,907	14.3	10.0
	2nd half ..	124,561	11,367	18.3	10.0
1937	1st half ..	119,955	8,107	13.5	10.0
	2nd half ..	196,349	10,955	11.2	12.0*
1938	1st half ..	291,535	14,019	9.6	(A) 5.0 (B) 10.0
	2nd half ..	396,750	17,883	9.0	(A) 5.0 (B) 10.0
1939	1st half ..	450,000	30,270	13.5	(A) 5.0 (B) 10.0

Note: * Inclusive of 2% special distribution.
(A) Dividend for Government.
(B) Dividend for Private Holders.

Table 9. Assets and Liabilities

(In ¥1,000)

	Nov. 1938	May 1939
Assets:		
Securities	515,065	650,722
Fixed Assets	1,750	3,050
Affiliation Co.s' Acc't. ...	60,590	64,766
Accounts Receivable	5,181	10,316
Suspense Payment	9,616	9,444
Bank acc't. Cash on Hand.	14,152	25,847
Total incl. others ...	659,030	764,146
Liabilities:		
Capital Paid-up	450,000	450,000
Legal Reserve	24,935	25,829
Special Reserve	16,358	16,358
Dividend Unpaid	705	1,230
Affiliation Cos' Acc't. ...	23,985	13,131
Deposits	1,021	791
Suspense Receipt	3,981	1,858
Funded Debt	——	30,000
Unfunded Debt	117,410	189,940
Brought Forward from Previous Term	2,753	4,738
Net Profit for the Term .	17,883	30,270
Total	659,030	764,146

Table 10. Disposition of Profits

(In ¥1,000)

	Nov. 1938	May 1939
Net Profit for the Term ..	17,883	30,270
Carryover from Previous Term	2,753	4,738
Total	20,656	35,009
Legal Reserve	894	1,514
Special Reserve	——	11,000
Dividends to Manchouuo (5%)	4,959	5,625
Dividends to Private Holders (10%)	9,919	11,250
Directors' Bonus	125	145
Carryover to Next Term ..	4,738	5,475

Agreement

The agreement arrived at between the Manchoukuo Government and the Nippon Industrial Company with regard to protecting the interests of the existing shareholders of the latter concern is as follows:

1. At the disposal of profit for each period, the dividend shall be determined as follows:

   (a) When the dividend rate for private shareholders is 10% or under, the dividend for the shares held by Manchoukuo shall be one-half thereof. For example, if the private shareholders receive a 10% dividend Manchoukuo shall receive a 5% dividend.

   (b) Any profit in excess of a dividend of 10% for private shareholders and 5% for Manchoukuo shall be divided equally. For example, if private shareholders receive a 12% dividend, Manchoukuo shall receive a 7% dividend.

2. In the event of liquidation of the Corporation, the residue shall be divided between the private shareholders and the Government shares in the ratio of two to one up to one and one-half times the amount of the paid-up capital. Any excess over one and one-half times the paid-in capital shall be divided equally.

3. The Manchoukuo Government shall guarantee the principal and a consolidated net return of 6% per annum on all funds

expended by the Corporation in connection with carrying on enterprises in Manchoukuo for ten years from the formation of the Corporation. In the even the Corporation does not earn the said 6% per annum and it is necessary for the Manchoukuo Government to make up a deficit up to 6%, the Government shall be reimbursed in subsequent periods out of any earnings in excess of 6%.

4. No Manchoukuo tax shall be imposed on profit made by the Corporation from investments outside Manchoukuo. Dividends paid by the Corporation to shareholders residing outside of Manchoukuo shall not be taxed. In regard to the taxation of enterprises in Manchoukuo, the Manchoukuo Government shall take suitable steps so that the functions of integrated management of the Corporation will not be impaired in the event that a change in the taxation system should cause an additional burden to be placed on the Corporation in the future.
5. The Corporation shall not be restricted in fixing the dividend rate when a disposal of profits is made.
6. In regard to the marketability of the private shares of the Corporation, the Japanese and Manchoukuo Governments shall take suitable measures so that the existing negotiability shall not be impaired.

In short, adequate protection in the form of guarantees and other privileges as listed above is to be given to the Corporation's enterprises carried on within Manchoukuo during their early stages. Therefore, even in the event that the corporation undertakes large scale projects for rapid development, it will be in a position to continue paying dividends on private shares at a rate unchanged from that of the Nippon Industrial Company, so long as there is no deterioration in the operating and earning conditions of the former enterprises of the Nippon Industrial Company.

ARTICLES OF ASSOCIATION OF MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION

Section I. General Provisions

Article 1. The Corporation shall be called MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION and shall be supervised by the Government under the Manchuria Industrial Development Corporation Administration Act passed by virtue of Imperial Ordinance No. 460 of the 4th year of Kangte.

Article 2. The objects and purposes of the Corporation are to invest in any or all of the following industries, and to direct the management thereof in Manchoukuo:

1. Iron and Steel Industry
2. Light Metal Industry
3. Automobile Manufacturing Industry
4. Aeroplane Manufacturing Industry
5. Coal Industry

Besides the business mentioned in the preceding paragraph, the Corporation may invest in the business of mining gold, zinc, lead, copper and other metals, as well as in various domestic and foreign businesses for which the sanction of the Minister of the Competent Department is obtained.

The Corporation may become a promoter for the purpose of organizing companies the objects of which are businesses in the two preceding paragraphs or may advance funds to affiliated companies and guarantee the obligations thereof.

Article 3. The amount of capital of the Corporation shall be Four Hundred Fifty Million Yen (¥450,000,000), Japanese currency.

Article 4. The head officee of the Corporation shall be located in Hsinking Special City, a branch office shall be located in the City of Tokyo, Japan, and offices and business quarters may be established in necessary places by decisions of the Board of Directors.

Article 5. Public notices of the Corporation shall be given in the Government Public Gazette and in the Official Gazette issued by the Japanese Government.

Section II. Shares

Article 6. The capital of the Corporation shall be divided into Nine Million (9,000,000) shares of the par value of Fifty Yen (¥50) per share, Japanese currency.

Article 7. The shares of the Corporation shall be classified into two classes, viz., Four Million Five Hundred Thousand (4,500,000) shares owned by the Government which shall be designated Class A Shares, and Four Million Five Hundred Thousand (4,500,000) shares owned by persons other than the Government, designated as Class B Shares.

Article 8. The total amount paid up on Class A Shares shall be equal to the total amount paid up on Class B Shares.

Article 9. Share certificates of the Corporation shall have the name of the shareholders inscribed thereon. Certificates for Class A Shares shall be of two denominations, viz., a share certificate for Two Million Three Hundred Seventy Thousand (2,370,000) shares, and a share certificate for Two Million One Hundred Thirty Thousand (2,130,000) shares. Certificates for Class B Shares shall be of four denominations, viz., one (1) share certificates, ten (10) share certificates, fifty (50) share certificates and one hundred (100) share certificates.

Article 10. The amount of dividend payable to shareholders at the close of each fiscal term of the Corporation not in excess of seven and one half (7½) per cent per annum on the paid-in capital, shall be distributed in the proportion of one part to Class A Share and two parts to Class B Shares.

In case the amount of dividend payable to shareholders at the close of each fiscal term, exceeds seven and one half (7½) per cent per annum on the paid-in capital, the rate of dividend for such excess shall be equal as to Class A Shares and Class B Shares.

Article 11. In case of dissolution of the Corporation, the residual assets, the value of which do not exceed one hundred fifty (150) per cent on the paid-in capital, shall be distributed in the proportion one part to Class A Shares and two parts to Class B Shares.

In case the value of the residual assets exceed one hundred fifty (150) per cent of the paid-in capital, the rate of distribution of such excess shall be equal as to Class A Shares and Class B Shares.

Article 12. A shareholder who fails to pay calls for payment upon shares shall pay interest for delay at the rate of Three (3) sen, Japanese currency, per day for each One Hundred Yen (¥100) of amount in delay, calculated from the day following the date fixed for payment to the date of actual payment.

Article 13. Shares of the Corporation may be transferred to persons of Manchoukuo and Japanese nationality only, or to juridical persons organized under the laws of either of these countries, the majority of the voting power of which juridical persons belongs to a person or persons or a juridical person or persons of Manchoukuo or Japanese nationality.

Article 14. Shares of the Corporation are not transferable by endorsement on the share certificates.

Article 15. In cases of transfers of shares, written application to record such transfers on forms provided by the Corporation, signed by both parties, shall be submitted to the Corporation together with the share certificate or certificates signed on the back thereof by the acquirer.

In cases of change in ownership of shares from causes other than transfer, a written application to record such change on forms provided by the Corporation shall be submitted to the Corporation together with documents proving the fact of the change in ownership together with the share certificate or certificates signed on the back thereof by the acquirer.

In the cases provided for in the two preceeding paragraphs, the Corporation shall record the fact of the transfer or change in ownership in the register of shareholders and return the share certificate or certificates to the applicant after having the fact of the transfer or change in ownership authenticated by the Representative of the Corporation on the reverse side thereof.

A fee of Ten (10) sen, Japanese currency, per share certificate shall be paid for recording transfers or changes in ownership.

Article 16. A person designing to exchange his or its share certificate or certificates for a new share certificate or certificates because of division, combination, mutilation or for other reasons, shall submit to the Corporation a written application on the form provided by the Corporation, in which the reasons for the exchange shall be clearly stated, together with the share certificate or certificates.

A fee of Fify (50) sen, Japanese currency, per new certificate shall be paid for the exchange of certificates.

Article 17. A shareholder who has unintentionally lost his or its share certificate or certificates may apply for re-issuance of a share certificate or certificates only after completing public notice proceedings and securing a judgment cancelling the right.

A shareholder, intending to make the application referred to in the preceding paragraph, shall submit to the Corporation a written application on the form provided by the Corporation accompanied by documents showing the fact that the public notice proceedings have been completed and the judgment cancelling the right has been secured.

A fee of Fifty (50) sen, Japanese currency, per certificate shall be paid on the re-issuance of share certificates.

Article 18. The Corporation may close the registration of share transfers from May 26th and November 26th of each year until the conclusion of the Ordinary General Meeting of Shareholders held in the respective following months.

In addition to the cases set forth in the preceding paragraph, if it is deemed necessary, the registration of share transfers may be suspended for a certain period of time after giving public notice to this effect.

Article 19. A shareholder or the legal or other representatives of shareholders shall file with the Corporation his name, address and seal impression on the form prescribed by the Corporation. This provision shall also apply in respect to any changes therein.

A person referred to in the preceding paragraph residing in a country other than Manchoukuo and Japan shall previously fix a temporary address or an attorney in either of these two countries and shall give notice to the Corporation of this fact. This provision shall also apply in respect to any changes therein.

Section III. General Meeting of Shareholders

Article 20. General Meetings of Shareholders shall be of two kinds, viz., Ordinary General Meetings and Extraordinary General Meetings. Ordinary General Meetings shall be called in the months of June and December of each year, and Extraordinary General Meetings shall be called at any time when deemed necessary. General Meetings of Shareholders shall be held in the place where the head office is situated or in the City of Tokyo, Japan.

Article 21. The date, time and place of General Meetings of Shareholders shall be fixed by the President, and a notice of call shall be despatched to each shareholder ten (10) days prior to the date of a meeting.

Article 22. The President shall act as Chairman of General Meetings of Shareholders. In case the President is prevented from acting as Chairman, a Vice-President shall take the Chair.

Article 23. In case of a tie vote in respect to proceedings at General Meetings, the Chairman shall cast the deciding vote.

Article 24. A shareholder may exercise his or its voting power by proxy, provided, however, that a proxy holder must be a shareholder or an officer of the Corporation.

A proxy holder referred to in the preceding paragraph shall submit to the Corporation a document showing his proxy power. This provision, however, shall not apply in case the fact that he has been given a proxy is known to the Corporation.

Article 25. Minutes shall be prepared of proceedings at General Meetings, and a summary and the results of proceedings shall be written therein. The minutes shall be signed by the Chairman, a Director or Directors, an Auditor or Auditors and one or more shareholders present at the meeting, and shall be kept at the office of the Corporation.

Section IV. Officers

Article 26. The Coporation shall have one President, two Vice-Presidents, five or more Directors and three or more Auditors.

The President shall appoint a certain number of Managing Directors from the Directors.

Article 27. The President shall represent the Corporation and superintend the business affairs thereof.

In case the President is prevented from performing his duties, one of the Vice-Presidents shall perform the duties of the President.

The Vice-Presidents and the Directors shall assist the President and shall manage the business affairs of the Corporation.

The Auditors shall audit the business affairs of the Corporation.

Article 28. The President and Vice-President shall be appointed by the Government and Directors and Auditors shall be elected at General Meetings of Shareholders.

The term of office of the President and of Vice-President shall be five years, the term of office of Directors shall be four years and of Auditors three years.

Article 29. Directors and Auditors shall continue to perform the duties of their office after the expiration of their term of office until the conclusion of the Ordinary General Meeting of Shareholders for the period in which their term of office expires.

Article 30. The President, Vice-President and Directors attending to the ordinary business affairs of the Corporation, who desire to engage in other business, shall obtain permission to do so from the Minister of the Competent Department.

Article 31. The amount of remuneration and allowance to the President and Vice-Presidents shall be decided by the Government, and the amount of remuneration and allowance to Directors and Auditors shall be decided at General Meeting of Shareholders and shall be approved by the Minister of the Competent Department.

Article 32. The President, Vice-Presidents and Directors shall constitute the Board of Directors, and at Meetings of the Board of Directors matters relating to important business affairs of the Corporation shall be discussed.

Decisions at Meetings of the Board of Directors shall be made by the President.

Article 33 Auditors may be present at Meetings of the Board of Directors and may state their opinions.

Article 34. Auditors shall examine the documents to be submitted to General Meetings of Shareholders and shall report their opinions to the Meetings.

Section V. Accounts

Article 35. The fiscal terms of the Corporation shall be from November 26th to May 25th and May 26th to November 25th. The accounts of the Corporation shall be closed on the last day of each term.

Article 36. The President shall prepare the proposals in regard to the Inventory, Balance Sheet, Business Report, Profit and Loss Statement and Proposition for Disposal of Profit for each fiscal term, and shall submit them with the written opinion of the Auditors thereon to Ordinary General Meetings of Shareholders and obtain approval thereof.

Article 37. The net profits of the Coporation for each fiscal term shall be the balance after deducting the gross loss from the gross profit in such fiscal term. The net profit and the amount brought forward from the preceding term added thereto shall be disposed of in the following manner:

Five per cent of the Net Profits to Legal Reserve
A portion to Special Reserves
A portion to Dividends for Shareholders
A portion to Bonus to Officers
A portion to be carried forward

Article 38. Dividends to shareholders shall be paid after the completion of each Ordinary General Meeting of Shareholders to shareholders of record as of May 26th and November 26th each year.

Section VI. Supplementary Provisions

Article 39. The register of shareholders and the original record of debentures of the Corporation shall be kept temporarily in the Tokyo Branch after obtaining permission from the Minister of the Competent Department.

MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION ADMINISTRATION ACT

Imperial Ordinance No. 460, issued on December 20th of the 4th year of Kangte

This is to sanction the Manchuria Industrial Development Corporation Administration Act and to order the same to be promulgated with approval of the Privy Council in accordance with Article 36 of the Constitution.

Signed and sealed by the Emperor of Manchoukuo
December 20th of the 4th year of Kangte
Chang Ching Hui
Prime-Minister of State
Lu Jung Huan
Minister of the Industrial Department
Han Yuan Chieh
Minister of the Economic Department
Chang Huan Hsiang
Minister of the Judicial Department
Imperial Ordinance No. 460.

Manchuria Industrial Development Corporation Administration Act

Article 1. The Government shall supervise the Manchuria Industrial Development Corporation in accordance with this Law, in order to expedite the coordinated establishment of heavy industries in this country, and to control these industries.

Article 2. The objects of the Manchuria Industrial Development Corporation are to invest in any or all of the following industries and to direct the management thereof in this country:

1. Iron and Steel Industry
2. Light Metal Industry
3. Automobile Manufacturing Industry
4. Aeroplane Manufacturing Industry
5. Coal Industry

Besides the business mentioned in the preceding paragraph the Manchuria Industrial Development Corporation may incidentally invest in the business of mining gold, zinc, lead, copper and other metals or other enterprises. Provided, that the sanction of the Minister of the Competent Department shall be obtained for businesses other than investments in the mining business in this country.

Article 3. The Manchuria Industrial Development Corporation shall establish its head office in Hsinking Special City.

Article 4. The amount of capital of the Manchuria Industrial Development Corporation shall be Four Hundred Fifty Million Yen (¥450,000,000). Provided, however, that the amount of capital may be increased with the sanction of the Minister of the Competent Department.

Directors shall be four years, and of Auditors three years.

Article 10. The amount of remuneration and allowance to the President and Vice-Presidents shall be decided by the Government.

Article 11. The President, Vice-Presidents and Directors attending to the ordinary business affairs shall not engage in other business without the permission of the Minister of the Competent Department.

Article 12. The amount of dividend payable to shareholders at the close of each fiscal term of the Manchuria Industrial Development Corporation not in excess of seven and one half (7½) per cent per annum on the paid-in capital, shall be distributed in the proportion of one part to the shares owned by the Government and two parts to the shares owned by others than the Government.

In case the amount of dividend payable to shareholders exceeds seven and one half (7½) per cent per annum on the paid-in capital, the rate of dividend for such excess shall be equal as to each share.

In case the capital is increased in accordance with the provisions of Article 4, a special provision shall be made, with the sanction of the Minister of the Competent Department, as to the dividend payable to shareholders, irrespective of the provisions of the two preceding paragraphs

Article 13. If at the close of each fiscal term of the Manchuria Industrial Development Corporation, the consolidated net profits accrued from undertaking carried on in Manchoukuo do not equal six (6) per cent per annum on the total amount of funds appropriated for such undertakings, (funds consisting of profits earned from such undertakings excepted), the Government will contribute an amount equal to the amount of such shortage for any fiscal term ending within ten years from the enforcement date of this Law. If and when consolidated net profits for subsequent fiscal terms exceed six (6) per cent per annum, the amount so contributed shall be repaid from such excess, with interest at the rate of two (2) per cent per annum.

Consolidated net profits shall be calculated by deducting gross losses (interest on debts excluded) from gross profits (profits brought forward included) accrued from undertaking carried on in Manchoukuo.

Article 14. In case of dissolution of the Manchuria Industrial Development Corporation, the residual assets, the value of which do not exceed one hundred fifty (150) per cent of the paid-in capital, shall be distributed in the proportion of one part to the shares owned by the Government and two parts to the shares owned by others than the Government.

In case the value of the residual assets exceed one hundred fifty (150) per cent of the paid-in capital the rate of distribution for such excess shall be equal as to each share.

In case the capital is increased in accordance with the provisions of Article 4, a special provision shall be made, with the sanction of the Minister of the Competent Department, as to the distribution of the residual assets to shareholders, irrespective of the provisions of the two preceding paragraphs.

Article 15. The Manchuria Industrial Development Corporation may issue debentures to the extent of twice the amount of the paid-in capital wih the sanction of the Minister of the Competent Department.

Article 16. In calling general meetings of the shareholders of the Manchuria Industrial Development Corporation, a notice shall be sent to each shareholder ten days prior to the date of the meeting.

Articl 17. The Manchuria Industrial Development

In the case contemplated in the proviso of the preceding paragraph, shares without voting power may be issued, irrespective of the provisions of the second paragraph of Article 97 of the Corporation Law.

Article 5. The Government shall own one half of the total number of shares with voting power of the Manchuria Industrial Development Corporation.

Article 6. Shares with voting power of the Manchuria Industrial Development Corporation may be transferred to persons of Manchoukuo and Japanese nationality only, or to juridical persons organized under the laws of either of these countries, the majority of the voting power of which juridical persons belongs to a person or persons or a juridical person or persons of Manchoukuo or Japanese nationality.

Article 7. The Manchuria Industrial Development Corporation shall have one President, two Vice-Presidents, five or more Directors and three or more Auditors.

Article 8. The President shall represent the Manchuria Industrial Development Corporation and superintend the business affairs thereof.

In case the President is prevented from performing his duties, one of the Vice-Presidents shall perform the duties of the President.

The Vice-Presidents and the Directors shall assist the President and shall manage the business affairs of the Manchuria Industrial Development Corporation.

The Auditors shall audit the business affairs of the Manchuria Industrial Development Corporation.

Article 9. The President and Vice-Presidents shall be appointed by the Government, and Directors and Auditors shall be elected at General Meetings of Shareholders.

The term of office of the President and of Vice-Presidents shall be five years, the term of office of Corporation shall determine its business plans for each fiscal year, and submit the plans to the Minister of the Competent Department. This rule shall apply to any alterations in the plans.

Article 18. Resolutions for the election and dismissal of Directors and Auditors, for amendments to the Articles of Association, for the disposition of profits, for the issuance of debentures, for the amalgamation and dissolution of the Corporation shall not become effective unless the sanction of the Minister of the Competent Department is obtained therefor.

Article 19. The Manchuria Industrial Development Corporation shall not transfer its important assets or surrender the same as security without the sanction of the Minister of the Competent Department.

Article 20. The Minister of the Competent Department may issue the necessary orders for supervision of the business affairs of the Manchuria Industrial Development Corporation.

Article 21. The Minister of the Competent Department may issue the necessary orders for control of the enterprises as to the business of the Manchuria Dvelopment Corporation.

Article 22. The Minister of the Competent Department may rescind resolutions of the Manchuria Industrial Development Corporation, if he deems such resolutions to be against the laws, regulations, Articles of Association, or to be detrimental to public welfare.

The Minister of the Competent Department may dismiss the President, Vice-Presidents, Directors or Inspectors, if he deems acts of such officers to be against the laws, regulations, Articles of Association, orders issued hereunder, or to be detrimental to public welfare.

Article 23. The Minister of the Competent Department shall appoint Superintendents of the Manchuria Industrial Development Corporation, and have such Superintendent inspect the business affairs of the Manchuria

Industrial Development Corporation.

Article 24. The Superintendent of the Manchuria Industrial Development Corporation may at any time examine safes, books and documents of the Manchuria Industrial Development Corporation.

The Superintendent of the Manchuria Industrial Development Corporation may at any time he deems it necessary order the Manchuria Industrial Development Corporation to submit its accounts and a report on the condition of its business.

The Superintendent of the Manchuria Industrial Development Corporation may attend general meetings of shareholders, and other meetings, and express his opinion thereat.

Article 25. The Minister of the Competent Department referred to in this Law shall be the Minister of the Industrial Department and the Minister of the Economic Department.

Article 26. No person other than the Manchuria Development Corporation may use the name of Manchuria Development Corporation, or any other name similar thereto, as a trade name.

Supplementary Provisions

Article 27. This Law shall be enforced on and after December 27th of the 4th year of Kangte.

Article 28. The Capital of the Manchuria Industrial Development Corporation may for the time being be in Japanese currency.

Article 29. As to the business coming under the second paragraph of Article 2, in which the Manchuria Industrial Development Corporation may have invested at the time of the enforcement of this Law, such business or businesses as to which notice is given to the Minister of the Competent Department within thirty days from the date of enforcement hereof shall be deemed to have been sanctioned hereunder.

Article 30. If the President, Vice-Presidents or Directors attending to ordinary business affairs of the Manchuria Industrial Development Corporation, who are engaged in other business at the time of enforcement of this Law, notify such fact to the Minister of the Competent Department within thirty days from the date of enforcement hereof, it shall be deemed that they have obtained sanction therefor.

Article 31. The register of shareholders and the original record of debentures of the Manchuria Industrial Development Corporation, with the sanction of the Minister of the Competent Department, shall not be subject to the provisions of Article 123 of the Corporation Law for the time being.

Principal Affiliated Companies of the Manchuria Industrial Development Corporation

The principal affiliated companies of the Manchuria Industrial Development Corporation in Japan and in Manchoukuo are the following:

PRINCIPAL AFFILIATED COMPANIES IN JAPAN

Nippon Mining Co., Ltd.
Hitachi, Ltd.
Osaka Iron Works, Ltd.
Hitachi Electric Power Co., Ltd.
Nissan Automobile Co., Ltd.
Nissan Automobile Sales Co., Ltd.
Nissan Chemical Industry Co., Ltd.
Japan Fat & Oil Industry Co., Ltd.
Nippon Marine Products Co., Ltd.
Nippon Industrial Rubber Co., Ltd.
Nissan Steamship Co., Ltd.
The Daido Match Co., Ltd.
The Nissan Fire & Marine Insurance Co., Ltd.

PRINCIPAL AFFILIATED COMPANIES IN MANCHOUKUO

Showa Steel Works, Ltd.
Manchuria Colliery Co., Ltd.
Manchuria Mining Co., Ltd.
Manchuria Light Metals Co., Ltd.
Dowa Automobile Co., Ltd.
Manchuria Gold Mining Co., Ltd.
Manchuria Lead Co., Ltd.
The Manchuria Soya Bean Industry Corp.

(For details of these Companies refer to Business Directory Section).

References:

Table Nos.: 1-3 a, 4 b & c, 5-6 d, 7 b, 8 e, 9-10 f.
Key: a—Ind. Dept. of Manchoukuo.
b—S. M. R. Co.
c—C. F. Remer.
d—Manchurian Affairs Bd.
e—Central Bank of Manchou.
f—Manchuria Ind. Develop. Corp.

CHAPTER XXIX

KWANTUNG LEASED TERRITORY

Position.—120° 58′ 8″ E.L. and 38° 43′ 20″ and 39° 33′ 37″ N.L.
Area.—3,462 square kilometers, including 40 adjoining islands.

The Kwantung Leased Territory consists of that region in Manchuria over which Russia obtained jurisdiction from China prior to the Russo-Japanese War. Following the war and by virtue of the Portsmouth Treaty Russia transferred and assigned to Japan, with the consent of China, the lease of the region and her vested rights therein. By virtue of a treaty concluded in May, 1915 between Japan and China, the former secured the right to extend the lease of the Kwantung Territory and the South Manchuria Railway Zone to 99 years. With the relinquishment of Japan's extraterritorial rights in November, 1937 the Leased Territory has come under the jurisdiction of Manchoukuo.

Population

The population of Kwantung Province as at the end of 1937 was 1,190,004, consisting of 1,009,870 Manchoukuoans and 174,587 Japanese and 1,629 foreigners.

Population of Cities.—In Kwantung Province, Dairen ranked first in 1937 with a population of 503,778, followed by Pulantien, Pitzuwo, Port Arthur.

Administration

A general reorganization of the administrative system of the Kwantung Leased Territory was undertaken after the birth of Manchoukuo. The four separate Japanese administrative organs, namely, the Kwantung Government, the Kwantung Army, the Consulates and the South Manchuria Railway Company were united under one head and the whole administration was entrusted to a figure vested with the powers of the Commander of the Kwantung Army and Ambassador Extraordinary and Plenipotentiary to Manchoukuo.

In December 1934 certain minor changes were made to the administrative system. The Kwantung Government was replaced by the Kwantung Bureau and subordinated to the Japanese Embassy. Matters relating to Kwantung Province are managed by the newly created Kwantung Provincial Office which is under the supervision of the Kwantung Bureau.

Removal of Kwantung Government.—Begining June 1, 1937 the city of Dairen became the new seat of government for the Kwantung Leased Territory in consequence of the formal removal there on the preceeding day of the Kwantung Government from Port Arthur. The Kwantung Government is now housed in a new modern four-story building erected at Chojamachi near the Kwantung District Court at a cost of ¥600,000. Simultaneously with the removal of the Kwantung Government to Dairen City, the Dairen Civil Administration Office was formally abolished together with those in four other towns in the Territory, thus opening a new chapter in the history of Japanese rule on the continent.

DEFENCE SERVICES

Army

On September 1, 1906 in Port Arthur there was established the Kwantung Govt. consisting of two departments, namely, Civil and Military as stated above. The latter had been taking charge of general military affairs in the districts under the jurisdiction of the Kwantung Government in accordance with the Army Regulations newly promulgated until April, 1919 when the military government was separated from the civil government by the abolition of the organization of the Kwantung Military Government and the establishment of the organization of the Kwantung Government and the enactment of regulations governing the Kwantung Army Headquarters.

The Japanese garrison in Manchuria consists of the Manchurian Stationary Division, the Independent Garrisons, the Port Arthur Heavy Artillery Battalions, Kwantung Gendarmes. The Divisional Headquarters were placed at Liaoyang and various corps in principal towns along the S.M.R. lines. Since the Manchurian Incident in 1931, these garrisons have been increased to some extent in order to maintain the peace and order of Manchoukuo.

The Independent Garrison were organized in July, 1906 when six battalions were formed for the defence of the S.M.R. with the Headquarters at Kungchuling.

The Port Arthur Heavy Artillery Corps were stationed at the port simultaneously with the fall of the fortress on the occasion of the Russo-Japanese War. As for the Kwantung Gendarmes Corps, they were organized after the termination of the Russo-Japanese War with the Headquarters at Port Arthur and squads at various points along the railway lines. As a result of the reorganization of the Gendarmes Corps in June, 1932, the Headquarters were placed at Mukden and branches at Mukden, Jehol, Hsinking, Harbin and Tsitsihar and squads at important points south of Harbin to deal with gendarmes and police affairs. When they are under the direction of the Governor of Kwantung Province in South Manchuria the gendarmes are to be charged with administrative police and judicial police and the duties as provided for by Art. 2, the Gendarmes Act.

Navy

The origin of the Japanese naval equipments at Port Arthur dates back to February 6, 1905, or about a month after the surrender of the fortress in the Russo-Japanese War, when the Port Arthur Admiralty was opened. On March 15, 1914 the Port Arthur Admiralty was abolished and the Port Arthur Naval Port Department was established in its place. On November 30, 1922 the Port Arthur Naval Port Department was discontinued. On April 1, 1925 the Port Arthur Defence Squadron, which was instituted on April 1, 1918, was abolished leaving the Wireless Telegraph Corps alone in being. On April 20, 1933 the Port Arthur Naval Port Department was again instituted. At present the Port Arthur Naval Port Department comprises the Headquarters, the Port Affairs Departmen tadn the Hospital. Attached thereto are one light cruiser, a flotilla (consisting of four second class destroyers and a wireless telegraph station). The duties of the Port Arthur Naval Port Department consist in guarding the coasts of Kwantung Province, and protecting the life and property of the Japanese residents in Manchoukuo and North China and trade, navigation and fishery rights

On April 1, 1933 the Manchou Naval Station was established at Hsinking by the Imperial Japanese Navy to take up the duties of guarding the river and sea coasts of Manchoukuo.

Police

The Japanese police administration in South Manchuria was inaugurated when the region was under military occupation during and after the Russo-Japanese War. But simultaneously with the establishment of the Government of the Kwantung Leased Territory in 1906, the police administration was limited to the Leased Territory and the Japanese railway zone. A police director-general acted under the control of the Governor. During the European War, the need for more effective maintenance of peace and order being felt, gendarme officers of the Army corps acted ex-officio in important police posts. When the Governor-General in 1919 was replaced by the Civil Governor of Kwantung, all important police officials again became civil appointees.

Courts of Justice

By Imperial Ordinance No. 198, promulgated on July 31, 1905, the courts of justice were established under the direct control of the Governor-General to handle all civil and criminal cases, irrespective of nationality in the peninsula. This was a two-trial system, which was later modified to the three-trial system, the same as in Japan proper. The courts consist of a High Court and a Local Court. The High Court is divided into the Cassation Department and Appeal Department. At first the administration of justice was based partly upon local laws and usages, but since 1909 the laws of Japan have been applied in general. Chinese usages, however, are often observed in cases relating to the family, succession, bankruptcy, criminal and other actions.

Judicial cases within the South Manchuria Railway Zone were under consular jurisdiction in accordance with the provisions of extraterritoriality of the Sino-Japanese Treaty. But appeal or cassation cases come before the High Court in the Kwantung Territory. Since November, 1937 with the relinquishment of extraterritoriality by Japan the judicial system has come under the Manchoukuo Government.

FINANCE

The expenditures of the Kwantung Government were from the time of the occupation of the province by Japanese forces in 1905 defrayed out of the extraordinary war fund. Upon the

closing of the special account for that fund at the end of March, 1908, however, the annual expenditure of the Government was placed under a special account, the principle of which is to defray the expenses of the Government with its revenue and at first to make good any deficit that may occur by means of a subvention from the National Treasury, with the object of ultimately placing the local finance on an independent footing.

Further, the administrative expenses required for the local organizations of the provinces which make it their object directly to promote the peace, welfare, and happiness of the local population, are to be defrayed out of the local revenue so as to impress vividly upon the local population the close connection exist ing between the benefits they enjoy and the burden they must bear thereof. With this end in view, regulations respecting the local expenses of Kwantung Province, apart from the special account for the Kwantung Government, were issued, whereby the expenses for the keeping of accounts, education, sanitation, encouragement of industry, building and engineering, relief work, and constructions are to be paid directly with the local revenue accruing from business and miscellaneous taxes.

Annual Revenue & Expenditure

(Unit: ¥1,000)

(A) Revenue

Year Ending Mar. 31:	Ordinary			Extraordinary				
	Tax	Gov't Enterprise	Stamps	Sales of Property	Surplus from Previous year	National Treasury grants	Temporary Profit Tax	Grand Total incl. others
1935	5,918	12,449	1,171	820	14,172	4,000	—	39,170
1936	6,535	10,560	1,407	1,009	16,511	1,947	250	38,908
1937	7,873	12,483	1,839	1,551	14,909	1,000	428	41,030
1938	10,130	11,780	1,866	979	12,174	502	436	39,299
1939*	8,690	7,263	1,067	842	3,704	100	562	24,057
1940*	12,555	8,082	1,154	618	7,463	16	908	34,341

(B) Expenditure (Ordinary Account)

	Kwantung Bureau	Courts & Prison	Police	Education	Communications	Marine Bureau	Hospitals	Monopoly Bureau	Total incl. others
1935	1,493	511	4,142	2,041	2,907	180	124	2,086	15,756
1936	1,796	558	4,419	2,220	3,111	180	124	1,278	16,109
1937	2,055	586	4,580	2,450	3,305	189	125	2,089	19,442
1938	2,224	646	4,255	2,709	3,148	213	116	1,395	17,483
1939*	2,309	682	2,392	3,036	2,349	228	204	1,080	15,951
1940*	2,320	662	2,472	3,412	2,593	246	201	1,226	16,467

(C) Expenditure (Extraordinary)

	Various undertaking	Special guard	Subsidies	Manchuria Incident Acct.	Temporary Defense Acct.	Total incl. others	Grand Total
1935	1,570	205	1,485	3,309	——	6,903	22,659
1936	2,072	224	2,092	2,984	——	7,890	23,999
1937	2,760	237	1,303	2,911	——	9,414	28,856
1938	2,335	226	890	2,110	——	8,724	26,207
1939*	2,938	138	408	——	4,590	8,495	24,446
1940*	8,837	288	412	——	7,807	17,724	34,191

Note: * Budgetary Estimate.

Taxes

The taxes in Kwantung Province consist of national and local taxes. The former is subdivided into ten kinds, four of which are of recent origin, namely the business, wheat, flour, cement and gasoline taxes.

Social Education

It is only some three decades since the Kwantung Leased Territory was brought under Japanese administration. Therefore, social educational facilities provided in those regions have still a great deal of leeway to make up as they are myriad in form and quite extensive in scope.

Museum (government institution).—The Museum, which is under the management of the Kwantung Government, is situated at Port Arthur. It consists of two halls, or the Main Hall and the War Memorial Hall. It displays a large collection of things relating to the civilization of Manchuria, Mongolia and China in various stages of their history. They furnish valuable references to students of science, fine arts and the economic resources of the country. The exhibits are divided into six departments, namely, customs, fauna, flora, mineral products, archaeology and articles of reference. In all about eighty-five thousand objects have been collected from Manchuria, Mongolia, China proper and Japan proper.

In the War Memorial Hall relics of the battle of Port Arthur in the Russo-Japanese War are on view. Attached to the Museum are a botanical garden and zoological garden.

Libraries.—There is one state library, which is situated at Port Arthur. As at the end of 1937 it was in possession of 38,620 books.

At the end of the year under review there were 8 private libraries with 327,233 books in all.

Religion

Principal religions in Kwantung Province are Shintoism, Buddhism, Christianity, Taoism, Mohammedanism, Confucianism, Lamaism. The number of shrines, temples and churches at the end of 1937 are as follows:

Shrines, 12; Shinto temples, 36; Buddhist temples, 110; Christian churches, 34; other religious organs, 154. As for the number of votaries Shintoism was represented by 13,195, Buddhism by 73,109, Christianity by 2,680 and others by 31,736.

Agriculture

The principal crops of Kwantung Province are maize, groundnuts, kaoliang, millet, beans, etc. The cultivation of groundnuts is one of the fresh agricultural undertakings encouraged by the Kwantung Government since its inauguration. It has made such marvellous developments in recent years that the annual crop exceeds 1,000,000 koku. They are exported to Europe, North and South America, China and Japan. The output of these staple farm products in 1937 was as follows:—Maize, 927,342 koku, kaoliang 188,256 koku, millet 155,189 koku, groundnuts 1,568,119 koku. The value of these staple crops amounted to ¥24,570,862.

Of the vegetable production the Chinese rape, turnips, sweet potatoes, cucumber and stoneleek occupy the major portion of the yields which aggregated 186,239,650 kin valued at ¥3,000,023 in 1937.

Principal fruits produced in the Kwantung Leased Territory are grapes, peaches, apples, pears, cherries, etc. The total amount of their harvest in 1937 was valued at ¥1,981,050.

Besides, there are what are known as special crops. These are raw cotton, castor seeds, sesame seeds, tobacco and others. Their total crops in 1937 amounted to ¥301,002. The raw cotton output was 1,907,068 kin valued at ¥242,395.

Sericulture

Sericulture was first introduced into Manchuria by Shantung immigrants more than a hundred years ago, but the industry was quite insignificant until Japanese intervention. In 1908 the Japanese authorities first imported silkworm eggs from Japan and carried out necessary experiments. As a result, the Kwantung Leased Territory was found suitable in both climate and soil for the industry. The Government continually encourages its development among both Japanese and native farmers. The total cocoon output in 1937 was 1,223.3 kwan valued at ¥4,207, while the wild silk cocoon output was 320,000 in number valued at ¥192.

Forestry

As soon as it was established, the Kwantung Government gave attention to reforestation. As an initial step, nursery farms were established at Port Arthur, Dairen and Chinchow. They cover an area of over 55 chobu.

The Government have taken and are taking every measure available to encourage afforestation. The area of forests and hills in Kwantung Province as at the end of 1937 stood at 89,642 chobu, which bears a proportion of 27 per cent. to the total area of the Province. Of that total area of forests and hills, 30,423 chobu are private forests. The area under afforestation at the end of 1937 was 805.7 chobu.

LIVE-STOCK INDUSTRY

Varieties of Live-stock.—The varieties of livestock in Kwantung Province comprise horses, cattle, sheep, swines, mules and donkeys. The live-stock in Manchuria had been small of stature and not fine in general qualities. Therefore, since 1915 the Kwantung Government have done everything possible to effect improvements in these animals. Special pains have been taken to improve the breeding of horses in the following ways:—

(1) In 1926 the Kwantung Experimental Stud Farm was established at Chinchow, where cross-breeding between Mongolian mares and 40 stallions of foreign origin which were raised in Japan, is carried on, (2) these stallions are separated and sent out every year to 19 breeding sub-stations at different local centres for cross-breeding with native mares, (3) at the local establishments a private live-stock breeding association or an agricultural association has been organized in each Civil Administration Office district for the encouragement of better horse-breeding, (4) in 1923 the Government gave official approval to the Dairen Jockey Club and has been encouraging horse racing to create general public interest in horses and to stimulate the raising of finer mares.

The South Manchuria Railway Company has carried on successfully experiments for the improvement of sheep and hog-raising at the Agricultural Experiment Station, Kungchuling, by crossing a superior Merino breed imported from abroad with the native Mongolian, and similarly a superior Berkshire breed with the native hogs.

Fisheries and Salt Manufacture

The amount of catches in 1936 was ¥3,761,000 represented by Japanese and ¥2,021,000 by Manchoukuoans, aggregating ¥5,783,000. Aquatic manufactures for the year under review amounted to ¥691,493.

Salt Manufacture.—The output of salt in 1937 was 429,188 metric tons, valued at ¥2,382,519. (For particulars of fisheries and salt manufacture see Chapter Fishery).

Manufacturing Industry

After the inauguration of Japanese administration in Kwantung Province such manufacturing industries as oil, machinery, liquors, cement, cotton yarn, etc., gradually sprang up with Dairen as a centre. Since the foundation of Manchoukuo, there have been established other Imperial concerns for strengthening the Japan-Manchoukuo economic bloc. The Manchurian Chemical Company and the Manchurian Oil Company are most representative of them.

As at the end of 1937 there were 1,021 factories each employing five or more workers a day on an average. Of these factories, 618 were furnished with motors.

The total capitalization of the manufacturing industries as at the end of 1937 was ¥250,850,855.

Dairen Customs of Manchoukuo

In accordance with an Agreement concluded in June, 1907, between Japan and China regarding the establishment of a maritime customs-house at Dairen, it was decided to make the whole of the leased province of Kwantung a free zone, that is to say, goods brought by sea to Dairen are subject to Imperial duties only when they cross the boundary of the leased territory into China, and those coming from China into the leased territory pay export duties only when they are exported from Dairen. For the collection of these import and export duties a customs-house under the control of the Chinese Government was established at Dairen and opened on July 1st, 1907.

In March, 1932, however, Manchoukuo became an independent state and was formally recognized by Japan on September 15, 1932. Since the foundation of the new state, it has had charge of the collection of the customs duties and dues at the Dairen Customs. Generally speaking, the manner of levying rates and charge is practically the same now as at the time of the Chinese Customs except that the Chinese trade is treated as foreign trade.

Communication System in Kwantung Leased Territory

The communication system, post and telegraph, in the Kwantung Leased Territory is under the control of the Manchuria Telegraph and Telephone Company, a joint Manchoukuo-Japan corporation established in 1933. The communication system in South Manchuria, wherein is located the Kwantung Leased Territory was first established by the Japanese military authorities during the Russo-Japanese War (1904-05). Soon after the establishment of the Government-General of Kwantung, the system was transferred to its Communications Bureau established in Dairen, the Chief of Bureau taking charge of affairs relating to post, telegraph, and telephone principally in the Leased Territory and the South Manchuria Railway Zone.

Mails between Manchuria and Japan were originally carried by steamer twice a week, but this was increased to a daily service by land routes, when the Antung-Mukden Railway was brought into connection with the Chosen Government Railway in June, 1912 This was further increased to twice a day service in August, 1918. The international mail conveying service between South Manchuria and Europe by the Siberian route was inaugurated in 1908, but was suspended for several years after September, 1919, owing to political disturbances in Russia; again suspended for six months in 1919 during the Sino-Soviet dispute over the Chinese Eastern Railway question, and for a third time during the Harbin disturbance in 1932 (from January to February).

CHAPTER XXX

LAWS, TREATIES

The Constitution of Japan

(Promulgated February 11, 1889)

Chapter I.—The Emperor

Article 1.—The Empire of Japan shall be reigned over and governed by a line of Emperors unbroken for ages eternal.

Article 2.—The Imperial Throne shall be succeeded to by Imperial male descendants, according to the provisions of the Imperial House Law.

Article 3.—The Emperor is sacred and inviolable.

Article 4.—The Emperor is the head of the Empire, combining in Himself the rights of sovereignty, and exercises them according to the provisions of the present Constitution.

Article 5.—The Emperor exercises the legislative power with the consent of the Imperial Diet.

Article 6.—The Emperor gives sanction to laws, and orders them to be promulgated and exercised.

Article 7.—The Emperor convokes the Imperial Diet, opens, closes, and prorogues it, and dissolves the House of Representatives.

Article 8.—The Emperor, in consequence of any urgent necessity to maintain public safety or to avert public calamities, issues, when the Imperial Diet is not sitting, Imperial Ordinances in place of law.

Such Imperial Ordinances are to be laid before the Imperial Diet at its next session, and when the Diet does not approve the said Ordinances, the Government shall declare them to be invalid for the future.

Article 9.—The Emperor issues or causes to be issued Ordinances necessary for the carrying out of the laws, or for the maintenance of public peace and order, and for the promotion of the welfare of the subjects. But no Ordinance shall in any way alter any of the existing laws.

Article 10.—The Emperor determines the organization of the different branches of the administration, and the salaries of all civil and military officers, and appoints and dismisses the same. Exceptions, especially provided for in the present Constitution or in other laws, shall be in accordance with the respective provisions (bearing thereon).

Article 11.—The Emperor has the supreme command of the Army and Navy.

Article 12.—The Emperor determines the organization and peace standing of the Army and Navy.

Article 13.—The Emperor declares war, makes peace, and concludes treaties.

Article 14.—The Emperor proclaims the law of siege. The conditions and effects of the law of siege shall be determined by law.

Article 15.—The Emperor confers titles of nobility, rank, orders and other marks of honor.

Article 16.—The Emperor orders amnesty, pardon, commutation of punishments, and rehabilitation.

Article 17.—A Regency shall be instituted in conformity with the provisions of the Imperial House Law.

The Regent shall exercise the powers appertaining to the Emperor in His name,

Chapter II.—Rights and Duties of Subjects

Article 18.—The conditions necessary for being a Japanese subject shall be determined by law.

Article 19.—Japanese subjects may, according to qualifications determined in laws or ordinances, be appointed to civil or military offices equally, and may fill any other public offices.

Article 20.—Japanese subjects are amenable to service in the Army or Navy, according to the provisions of law.

Article 21.—Japanese subjects are amenable to the duty of paying taxes, according to the provisions of law.

Article 22.—Japanese subjects shall have the liberty of abode and of changing the same within the limits of law.

Article 23.—No Japanese subject shall be arrested, detained, tried, or punished, unless according to law.

Article 24.—No Japanese subject shall be deprived of his right of being tried by the judges determined by law.

Article 25.—Except in the cases provided for in the law, the house of no Japanese subject shall be entered or searched without his consent.

Article 26.—Except in the cases mentioned in the law, the secrecy of the letters of every Japanese subject shall remain inviolate.

Article 27.—The right of property of every Japanese subject shall remain inviolate.

Measures necessary to be taken for the public benefit shall be provided for by law.

Article 28.—Japanese subjects shall, within the limits not prejudicial to peace and order, and not antagonistic to their duties as subjects, enjoy freedom of religious belief.

Article 29.—Japanese subjects shall, within the limits of law, enjoy liberty of speech, writing, publication, public meetings and associations.

Article 30.—Japanese subjects may present petitions, by observing the proper form of respect, and by complying with the rules specially provided for the same.

Article 31.—The provisions contained in the present chapter shall not affect the exercise of the powers appertaining to the Emperor, in time of war or in case of a national emergency.

Article 32.—Each and every one of the provisions contained in the preceding Articles of the present chapter, that are not in conflict with the laws or the rules and discipline of the Army and Navy, shall apply to officers and men of the Army and of the Navy.

Chapter III.—The Imperial Diet

Article 33.—The Imperial Diet shall consist of two Houses, a House of Peers and a House of Representatives.

Article 34.—The House of Peers shall, in accordance with the Ordinance concerning the House of Peers, be

composed of the members of the Imperial Family, of the orders of nobility, and of those persons who have been nominated thereto by the Emperor.

Article 35.—The House of Representatives shall be composed of Members elected by the people, according to the provisions of the Law of Election.

Article 36.—No one can at one and the same time be a member of both Houses.

Article 37.—Every law requires the consent of the Imperial Diet.

Article 38.—Both Houses shall vote upon projects of law submitted to them by the Government, and may respectively initiate projects of law.

Article 39.—A Bill, which has been rejected by either the one or the other of the two Houses, shall not be brought in again during the same session.

Article 40.—Both Houses can make representations to the Government, as to laws or upon any other subjects. When, however, such representations are not accepted, they cannot be made a second time during the same session.

Article 41.—The Imperial Diet shall be convoked every year.

Article 42.—A session of the Imperial Diet shall last for three months. In case of necessity, the duration of a session may be prolonged by Imperial Order.

Article 43.—When urgent necessity arises, an extraordinary session may be convoked, in addition to the ordinary one.

The duration of an extraordinary session shall be determined by Imperial Order.

Article 44.—The opening, closing, prolongation of session and prorogation of the Imperial Diet, shall be effected simultaneously for both Houses.

In case the House of Representatives has been ordered to dissolve, the House of Peers shall at the same time be prorogued.

Article 45.—When the House of Representatives has been ordered to dissolve, Members shall be caused by Imperial Order to be newly elected, and the new House shall be convoked within five months from the day of dissolution.

Article 46.—No debate can be opened and no vote can be taken in either House of the Imperial Diet, unless not less than one-third of the whole number of the Members thereof is present.

Article 47.—Votes shall be taken in both Houses by absolute majority. In the case of tie, the President shall have the casting vote.

Article 48.—The deliberations of both Houses shall be held in public. The deliberations may, however, upon demand of the Government or by resolution of the House, be held in secret sitting.

Article 49.—Both House of the Imperial Diet may respectively present addresses to the Emperor.

Article 50.—Both Houses may receive petitions presented by subjects.

Article 51.—Both Houses may enact, besides what is provided for in the present Constitution and in the Law of the Houses, rules necessary for the management of their internal affairs.

Article 52.—No Member of either House shall be held responsible outside the respective Houses, for any opinion uttered or any vote given in the House. When, however, a Member himself has given publicity to his opinion by public speech, by documents in print or in writing or by any other similar means, he shall, in the matter, be amenable to the general law.

Article 53.—Members of both Houses may, during the session, be free from arrest, unless with the consent of the House, except in cases of flagrante delicto, or of offences connected with a state of internal commotion or with foreign trouble.

Article 54.—Ministers of State and the Delegates of the Government may, at any time, take seats, and speak in either House.

Chapter IV.—The Ministers of State and the Privy Council

Article 55.—The respective Ministers of State shall give their advice to the Emperor, and be responsible for it.

All Laws, Imperial Ordinances, and Imperial Rescripts of whatever kind, that relate to the affairs of State, require the countersignature of a Minister of State.

Article 56.—The Privy Council shall, in accordance with the provisions for the organization of the Privy Council, deliberate upon important matters of State, when it has been consulted by the Emperor.

Chapter V.—The Judicature

Article 57.—The Judicature shall be exercised by the Courts of Law according to law, in the name of the Emperor.

The organization of the Courts of Law shall be determined by law.

Article 58.—The judges shall be appointed from among those who possess proper qualifications according to law.

No judge shall be deprived of his position, unless by way of criminal sentence or disciplinary punishment.

Rules for disciplinary punishment shall be determined by law.

Article 59.—Trials and judgments of a Court shall be conducted publicly. When, however, there exists any fear that such publicity may be prejudicial to peace and order, or to the maintenance of public morality, the public trial may be suspended by provision of law or by the decision of the Court of Law.

Article 60.—All matters that fall within the competency of a special Court shall be especially provided for by law.

Article 61.—No suit at law, which relates to rights alleged to have been infringed by the illegal measures of the executive authorities, and which shall come within the competency of the Court of Administrative Litigation especially established by law, shall be taken cognizance of by a Court of Law.

Chapter VI.—Finance

Article 62.—The imposition of a new tax or the modification of the rates (of an existing one) shall be determined by law.

However, all such administrative fees or other revenue having the nature of compensation shall not fall within the category of the above clause.

The raising of national loans and the contracting of other liabilities to the charge of the National Treasury, except those that are provided for in the Budget, shall require the consent of the Imperial Diet.

Article 63.—The taxes levied at present shall, in so far as they are not remodelled by new law, be collected according to the old system.

Article 64.—The expenditure and revenue of the State require the consent of the Imperial Diet by means of an annual Budget.

Any and all expenditures overpassing the appropriations set forth in the Titles and Paragraphs of the

Budget, or that are not provided for in the Budget, shall subsequently require the approbation of the Imperial Diet.

Article 65.—The Budget shall be first laid before the House of Representatives.

Article 66.—The expenditures of the Imperial House shall be defrayed every year out of the National Treasury, according to the present fixed amount for the same, and shall not require the consent thereto of the Imperial Diet, except in case an increase thereof is found necessary.

Article 67.—Those already fixed expenditures based by the Constitution upon the powers appertaining to the Emperor, and such expenditures as may have arisen by the effect of Law, or that appertain to the legal obligations of the Government, shall be neither rejected nor reduced by the Imperial Diet, without the concurrence of the Government.

Article 68.—In order to meet special requirements, the Government may ask the consent of the Imperial Diet to a certain amount as a Continuing Expenditure Fund, for a previously fixed number of years.

Article 69.—In order to supply deficiences, which are unavoidable, in the Budget and to meet requirements unprovided for in the same, a Reserve Fund shall be provided for in the Budget.

Article 70.—When the Imperial Diet cannot be convoked, owing to the external or internal condition of the country in case of urgent need for the maintenance of public safety, the Government may take the necessary financial measures, by means of an Imperial Ordinance.

In the case mentioned in the preceding clause, the matter shall be submitted to the Imperial Diet at its next session, and its approbation shall be obtained thereto.

Article 71.—When the Imperial Diet has not voted on the Budget, or when the Budget has not been brought into actual existence, the Government shall carry out the Budget of the preceding year.

Article 72.—The final account of the expenditures and revenue of the State shall be verified and confirmed by the Board of Audit, and it shall be submitted by the Government to the Imperial Diet, together with the report of verification of the said Board.

The organization and competency of the Board of Audit shall be determined by law separately.

Chapter VII.—Supplementary Rules

Article 73.—When it has become necessary in future to amend the provisions of the present Constitution, a project to that effect shall be submitted to the Imperial Diet by Imperial Order.

In the above case, neither House can open the debate, unless not less than two-thirds of the whole number of Members are present, and no amendment can be passed, unless a majority of not less than two-thirds of the Members present is obtained.

Article 74.—No modification of the Imperial House Law shall be required to be submitted to the deliberation of the Imperial Diet.

No provision of the present Constitution can be modified by the Imperial House Law.

Article 75.—No modification can be introduced into the Constitution, or into the Imperial House Law, during the time of a Regency.

Article 76.—Existing legal enactments, such as laws, regulations, Ordinances, or by whatever title they may be called, shall, so far as they do not conflict with the present Constitution, continue in force.

All existing contracts or orders, that entail obligations upon the Government and that are connected with Expenditure, shall come within the scope of Article 67.

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China Supplement

Japan's Economic Position in China

GENERAL OUTLOOK

The importance of the military aspects of the Japanese campaign in China in the present Sino-Japanese hostilities may be said to have been relegated to one of economic rehabilitation of the occupied region from the early months of 1939, consequent upon the complete control of the entire coastal region of China, the Yangtze basin and the best part of the "central plains" forming the most fertile section of the whole land. Through all these provinces a new political order has been set up. In the north, the Provisional Government of the Republic of China was brought into existence with the avowed intention, among others, of adjusting the relations with Japan on a friendly and mutual economic basis. In central China the Renovation Government was established first at Shanghai and later removed to Nanking. These two organs were expected at the time of this writing to be united soon under a central government presided over by Wang Ching-wei.

In the autonomous Mongolian area a unified government under the chairmanship of Prince Teh was established on September 1, 1939 in furtherance of the establishment of order in East Asia. The coal, iron and wool resources of the Mongolian country are being made accessible to Japanese capital. Throughout the provinces under Japanese military occupation the Japanese are offering material aid for the rehabilitation of both large and small scale industrial enterprises. As a first step toward economic stabilization, the new central issue bank at Peking, the Federal Reserve Bank of China, carried through a complete monetary reform with the cooperation of Japanese banking institutions. This was followed by the establishment on May 1, 1939 of the Hua Hsin Commercial Bank with the view to stabilizing monetary conditions in central China. The customs tariff has been completely revised to eliminate the anti-Japanese features and to adjust it to levels of international fairness. As a military development of almost immeasurable importance, the Japanese positions have been advanced almost within sight of the so-called Comintern route connecting China to Soviet bases in Outer Mongolia and Siberia through the western fringe of Inner Mongolia.

A few salient points either already established or on the horizon may be mentioned. First of all, Japan, no longer under the handicaps imposed by a hostile China, will be free to follow the course of commercial and industrial development. Japan has assumed the leadership in the financial operations on the Asiatic continent, having already taken into the fold of her gold yen bloc the best part of North China. From the military point of view, Japan's position has been appreciably strengthened with regard to Russia and Outer Mongolia. The Japanese flank on the Manchoukuo frontier is no longer exposed to the menace of Outer Mongolian or Soviet attack. Japanese shipping, with all China's coasted and inland waters freely open, is now as good as promised a new career. The Japanese cotton Industrialists, favored by their geographical position and abundant labor in China, will be the first to enter the new China field with no political handicaps to face. And still other vistas are opening in other directions as well. For the present epoch-making campaign in China is to be followed by a new era of commercial and industrial expansion in East Asia.

JAPAN'S ECONOMIC RELATIONS WITH CHINA BEFORE THE UNDECLARED WAR OF 1937 AND AFTER

General Conditions.—Close economic relations existed between China and Japan in the fields of communications, trade and industry, involving fairly large amounts of investment on the part of the latter country. An outstanding feature in the situation was that these relationships had almost without exception been the outcome of diplomatic deals. No less characteristic was the fact that Japan's relations with China under the regime of the former Nanking Government, except in a few exceptional periods, had consistently been marked by frictions caused by the antagonistic policy followed by the Chinese statesmen. This situation became accentuated following the military outbreak of 1931 in Manchuria. China's customs tariff had patently been raised against the Japanese imports. The political conditions of China had been consistently so developed that the Japanese industrialists and capitalists were practically denied any chance of enterprise. That this situation will be thoroughly changed under the rule of the pro-Japanese regimes in the northern and in the central parts of China is beyond question. That under the policy for the "co-existence of Japan and China," so often reiterated in the two countries, the one as well as the other will be mutually benefited seems equally certain.

JAPAN'S COMPARATIVE POSITION IN CHINA'S FINANCE AND INDUSTRY

In the Pre-War Times and After

International Investment.—The available data on foreign investments in China are anything but adequate. But according to C. F. Remer in his "Foreign Investments in China," the amount of foreign investment as in the year 1931 was U.S.$3,242 million. Since this figure included the amount of U.S.$1,123 million for Manchuria, the amount for China only was U.S.$2,119 million. Of this amount, inclusive of Manchuria's the Government obligations made up 21.9% and foreign investment in private enterprises 78.1%. Among the creditor countries Britain came first with a total of $1,189.2 million, 36.7% of the total, and Japan followed with $1,136.9 million or 35.1%. Japan's position, however, must considerably descend in ranking when the share for Manchoukuo is excluded. The Soviet Union came third with a total of $273.2 million (8.4%).

With regard to changes made since 1931 an assessment is as yet impossible, although it is known that considerable increases have been made in the railway investments of Britain, France and Germany and also that Japan's investment in North China has appreciably extended. In addition, long term credits have been established for China to facilitate her imports. The Boxer indemnities which played no economic part in the past have in some measure become an active factor in the field of foreign investment chiefly through the change made in British policy.

Japanese Investments

Japan's investment in China may be traced many years back. In point of amount China is only second to Manchoukuo. However, because of a series of political loans involved, with few details disclosed thereabout, accurate figures of Japan's invested interests are not obtainable. According to the report made by the Federation of National Investigation in the Japan Economic Annual (Nippon Keizai Nenshi), Japan's total investment in China up to 1931 amounted to ¥572,476,000 in loans and ¥350,654,000 in other forms of investment, the total being ¥923,130,000. Kazuo Kato, writing in the National Resources (Shigen), March, 1932, estimated the loans to China to be ¥662,279,000 and the other forms of investment ¥464,567,000, the total being ¥1,126,846,000.

It should be noted, however, that some fundamental changes have taken place in the past few years with regard to the above situation respecting Japan's financial position in China. In the first place, the former Nanking Government carried through after December 1934 a series of adjustments with regard to Japanese loans. The amount of approximately ¥140 million loaned by the Japanese Government was reduced by half, the balance being redeemable by an yearly installment payment of approximately ¥5 million. Similar arrangements were also made with regard to the Japanese loans made to provincial governments as well as to private enterprises. As the result, the amount of Japanese investment has been drastically reduced.

The next change has been seen in the expansion in Japanese investment in North China made during the past few years, well indicating her growing industrial activities in that part of the country. Growing demands for capital have been raised in order to carry out extensive developments and to make new installations of productive equipment. The most notable instance is the cotton manufacturing business. The Japanese managed mills in China as returned for the end of 1931 accounted for 1,587,220 spindles, 218,896 mules, and 14,565 looms, but the figures returned for the end of 1936, exclusive of Tientsin, were 1,897,740 spindles, 363,266 mules, and 26,388 looms, according to the Federation of Cotton Manufacturers. The total investment in this branch of industry for the latter year was estimated at ¥300 million. Further, in the year 1937 substantial capital outlays were made when several Chinese mills were taken over by Japan and extensive developments took place at the Japanese owned plants, though details are not yet available. According to the report made to the Osaka Foreign Trade Office of the Commerce-Industry Ministry, the Japanese capital invested in cotton enterprises

	Capital Authorized (¥1,000)	Capital Paid-up (¥1,000)	Total Shares	Owned by Kawasaki	%	Amount (¥1,000)
Kawasaki Warehouse .	500	200	10,000	10,000	100.00	200
Nippon Shoji (Trading)	500	250	10,000	10,000	100.00	250
Joban Mujin (Mutual Trust)	500	375	10,000	5,000	50.00	188
Total	¥ 71,839	¥ 41,935				¥ 13,977
Daihyaku Bank:						
Joyo Bank	11,566	6,627	231,338	23,508	10.12	671
Ashikaga Bank	8,000	5,450	160,000	5,500	3.43	187
Chiba Godo Bank ..	6,950	2,997	139,000	32,750	23.56	706
Meiwa Bank	3,000	1,500	60,000	—	—	—
Kamakura Bank ...	1,400	763	28,000	5,900	21.07	161
Total	¥ 30,916	¥ 17,337				¥ 1,725
Nippon Fire Insurance:						
Teikoku Fire Ins. ..	10,000	2,500	100,000	74,044	37.02	926
SUBSIDIARIES						
Keisei Elec. Ry.	40,500	23,288	810,000	14,774	1.82	424
Nanao Cement	5,000	4,250	100,000	8,650	8.65	368
Nanyo Trading	5,000	3,500	100,000	40,664	40.66	1,423
Tokyo Seisen (Wire & Cable Mfg.)	5,000	2,750	100,000	—	—	—
Nippon Elec. Wire	4,000	2,500	80,000	—	—	—
Nisshin Life Insurance.	2,000	500	40,000	5,436	13.50	68
Total	¥ 61,500	¥ 36,788				¥ 2,283
INVESTMENTS						
Nippon Mining	240,150	180,113	4,803,000	18,550	0.38	684
Hitachi, Ltd.	200,000	138,425	4,000,000	22,510	0.56	775
Nippon Soda	104,000	71,160	2,080,000	2,000	0.09	7
Mitsubishi Mining	100,000	100,000	2,000,000	7,270	0.36	360
Kobe Seikosho (Steel-Works)	90,000	56,250	1,800,000	81,800	4.54	2,554
Nippon Oil	80,000	80,000	1,600,000	5,000	0.31	248
Toshin Electric	68,350	68,350	1,367,000	12,970	0.93	636
Dai-Ichi Ginko	57,500	57,500	1,150,000	13,738	1.18	679
Kokura Seiko (Steel Works)	32,000	20,000	640,000	11,320	1.77	354
Riken Heavy Ind.	30,000	20,000	600,000	12,500	2.08	416
Nisshin Cotton Spinning	28,500	25,600	540,000	1,160	0.21	54
Kyoto Gas	16,000	12,800	320,000	82,000	25.00	3,200
Tokushu Seiko (Spec. Steel)	15,000	7,500	300,000	9,000	3.00	225
Showa Heavy Ind.	8,000	4,000	160,000	10,500	6.56	262
Shinwa Shokai	10,000	10,000	200,000	79,250	39.63	3,963
Yokohama Fire & Marine Ins.	12,500	3,125	250,000	7,000	2.80	88
Total	¥1,092,000	¥ 854,823				¥ 14,505
GRAND TOTAL (Kawasaki Teitoku-kai, Chitose-Shokai and Kyosai-kai excluded)	¥1,266,255	¥ 953,383				¥ 33,416

APPENDIX III

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I. Arts & Crafts.
II. Biography & History.
III. Diplomacy & Politics.
IV. Language.
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VII. Religion & Science.
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X. Social Life & Customs.
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APPENDIX IV

LEARNED AND SOCIAL INSTITUTIONS

(A)

Agricultural Chemical Society of Japan, The—Est. 1924. Issues Journal of the Agr. Chem. Society of Japan, in Japanese (abstract in European languages), monthly. Mem. 2,000. Pres. U. Suzuki, D. Agr. Address: Inst. of Agr. Chem., Tokyo Imp. Univ., Tokyo.

Agricultural Engineering Society, Japan, The—Est 1929. Mem. 2,400. Rep. T. Tanaka. Address: Tokyo Imp. Univ., Tokyo.

Agricultural Society of Japan (Dai Nippon No-kai)—Est. 1881. Publishes a monthly organ "Dai Nippon Nokai-ho," and maintains Tokyo Agricultural College (Private school in Tokyo) as its educational organ. Mem. 15,559. Pres. M. Hotta. Vice-Pres. S. Kikkawa. Address: Sankai-do, Tameike-machi, Akasaka-ku, Tokyo.

Aikoku Fujin Kwai (The Patriotic Women's Association in Japan—Est. 1901. Mem. 2,500,000. Pres. H. Motono; Vice-Pres. M. Mizuno. Address: 5, Kudan 1-chome, Kojimachi-ku, Tokyo.

America-Japan Society, The (Tokyo)—Est. 1917 with the object to promote friendly relations between Japan and U. S. A. Mem. 775. Pres. Prince I. Tokugawa; Vice-Pres. Count A. Kabayama & E. W. Frazar; Mng.-Dir. Y. Takeda. Address: Room No. 140-142, Imperial Hotel, Tokyo.

American Association of Yokohama—Pres. D. H. Blake; Vice-Pres. Dr. G. F. Draper. Address: 167, Yamashita-cho, Yokohama.

Anthropological Society of Tokyo, The—Est. 1884. Issues The Anthropological Journal, in Japanese, monthly. Mem. 300. Gen.-Secr. A. Matsumura, D. Sc. Address: Anth. Inst., Tokyo Imp. Univ., Tokyo.

Architectural Society—Est. 1886. Issues a monthly magazine devoted to the study of architecture. Mem. 7,684. Pres. U. Uchida, Dr. Eng. Address: 1, Ginza Nishi 3-chome, Kyobashi-ku, Tokyo.

Architectural Society, Japan—Est. 1917. Publishes an organ "Architecture & Society"; Mem. 2,000. Pres. Y. Kataoka. Address: Asahi Bldg., Nakanoshima, Osaka.

Army & Navy Officers Wives Association—Est. 1906. Attends to various social works. Mem. 12,000. Pres. Madame M. Kuroki. Address: Wakamatsu-cho, Ushigome-ku, Tokyo.

Asiatic Society of Japan—Pioneer association of the kind in Japan. Est. 1872; by the late Sir Earnest Satow and others in Japan for studying and investigating Japanese customs, history, literature, etc.; meeting held monthly and proceedings published annually and distributed to members gratis. Pres. Sir Robert Clive, G. C. M. G.; Vice-Pres. A. K. Reischauer & Sir G. B. Sansom, K. C. M. G.; Treasurer & Sech. Trevor Jones. Address: German Club, Hirakawa-cho, Kojimachi-ku, Tokyo.

Associao Central Nippon-Brasileira—Est. 1932. Mem. 140. Pres. Y. Tokugawa. Address: 6, Marunouchi 3-chome, Kojimachi-ku, Tokyo.

Association for Chemical Industry, The—Est. 1917. Publishes The Chemical Industry, in Japanese, monthly. Mem. 765. Pres. M. Nakamatsu. Address: 2, Marunouchi 3-chome, Tokyo.

Association for the Prevention of Leprosy, The—Est. 1931. Mem. 15,996. Pres. Count K. Kiyoura. Address: c/o Department of Home Affairs, Tokyo.

Association of Foreign Raw & Waste Silk Merchants—Pres. Paul Nipkow; Vice-Pres. H. J. Huber. Address: c/o Charles Rudolph & Co., 254, Yamashita-cho, Yokohama.

Association of Japanese Geographers, The—Est. 1923. Publishes The Geographical Review of Japan, in Japanese, monthly. Mem. 64. Rep. T. Kato. Address: Geog. Inst., Science Dept., Tokyo Imp. Univ., Hongo-ku, Tokyo.

Association of Japanese Immigrant—Est. 1914. Vice-Pres. S. Miyao. Mem. about 700. Address: 30, Maruyama-cho, Koishikawa-ku, Tokyo.

Association of Japanese Paper Mills—Est. 1880. Mem. 56. Pres. G. Fujihara. Address: 10, Marunouchi 2-chome, Tokyo.

Association of Patent Attorneys—Est. April 1922 as an advisory body in legel matters. Mem. 700. Dirs. K. Inomata, Dr. S. Horie, etc. Address: Patent Bureau, Tokyo.

Astronomical Society of Japan, The—Est. 1908. Publishes The Astronomical Herald, in Japanese, monthly. Mem. 800. Chairman K. Saotome, D. Sc. Address: Tokyo Astronomical Obs., Mitaka-mura, Tokyo-fu.

Aviculture Society, Japan—Est. 1920. Associated with National Association of Audubon Society of America. Reps. K. Iwabuchi & S. Washizuka. Address: c/o Y. Yanagisawa, Yoyogi Sanya, Shibuya-ku, Tokyo.

(B)

Bankers' Association, Tokyo—Est. 1880. Fund consists of subscriptions in proportion to the paid-up capital of the associated banks. Mem. 482. Chairman T. Akashi. Address: Eiraku-cho, Kojimachi-ku, Tokyo.

Bankers' Club, Osaka—Est. 1897. Mem. 396 Banks. Chairman S. Nakane. Address: 29, Nakanoshima 1-chome, Kita-ku Osaka.